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ABSTRACT

This analysis of the implications for children of the FY 1987 Federal budget begins by criticizing the Reagan administration's policy on poor children and families and recommending needed action. Chapter 1 provides a rationale for investing in children and families. Specific attention is given to costs of child poverty, declining Federal help for children in poverty, President Reagan's FY 1987 budget, and the impact of the Gramm-Rudman Amendment. Chapters 2 and 3 outline a Children's Survival Bill and a new policy agenda designed to prevent teen pregnancy and to build self-sufficient youth. Chapter 4 explores aspects of the Gramm-Rudman Balanced Budget and Emergency Deficit Control Act of 1985. Chapter 5 offers an executive summary of the remaining 15 chapters which concern health; family income; taxes and poor families; food assistance; housing and homelessness; preventing adolescent pregnancy and building youth self-sufficiency; education; youth employment; abused and neglected children and others with special needs; runaway youth and others in the juvenile justice system; child care; Head Start; energy assistance for families; legal services; and civil rights. Appended are related information about Congress, selected recent publications on the budget and the effects of President Reagan's policies, a list of other resource organizations, and approximately 40 pages of data on children, poverty, and federal programs. (RH)

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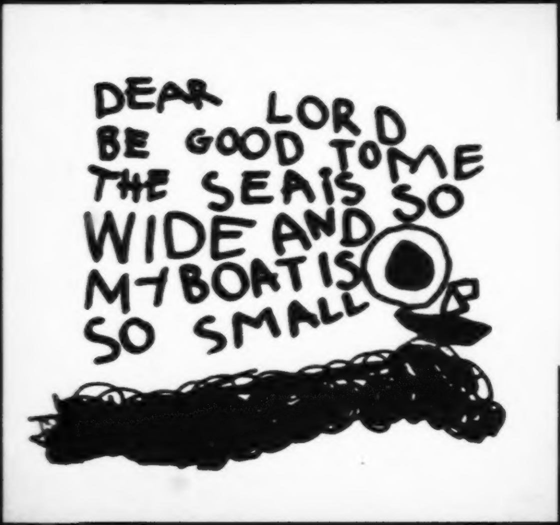

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About CDF

The Children's Defense Fund (CDF) exists to provide a strong and effective voice for the children of America who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor, minority, and handicapped children. Our goal is to educate the nation about the needs of children and encourage preventive investment in children before they get sick, drop out of school, or get into trouble.

CDF is a unique organization. CDF focuses on programs and policies that affect large numbers of children, rather than on helping families on a case-by-case basis. Our staff includes specialists in health, education, child welfare, mental health, child development, adolescent pregnancy prevention, and youth employment. CDF gathers data and disseminates information on key issues affecting chidren. We monitor the development and implementation of federal and state policies. We provide information, technical assistance, and support to a network of state and local child advocates. We pursue an annual legislative agenda in the United States Congress and litigate selected cases of major importance. CDF also educates thousands of citizens annually about children's needs and responsible policy options for meeting those needs.

CDF is a national organization with roots in communities across America. Although our main office is in Washington, D.C., we reach out to towns and cities across the country to monitor the effects of changes in national and state policies and to help people and organizations who are concerned with what happens to children. CDF maintains state offices in Mississippi and Ohio and state projects in Minnesota, Texas, and Virginia. CDF has developed cooperative projects with groups in many states. Child Watch, a national effort of the Association of Junior Leagues, CDF, and other national organizations to assess the impact of federal and state budget decisions on children, is an example of this collaborative effort.

CDF is a private organization supported by foundations, corporate grants, and individual donations.

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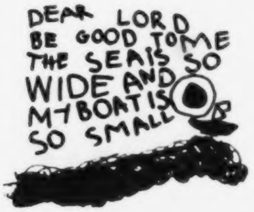
DEAR LORD
BE GOOD TO ME
THE SEA IS SO
WIDE AND
MY BOAT IS
SO SMALL

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DEDICATION

This book is dedicated to
Dorothy M. Height, President of the National Council
of Negro Women. She is an indefatigable worker for justice
and civil rights for all, a strong voice for
families and children, and a leader in the effort
to prevent children having children and to
strengthen black family life.

Acknowledgments

We gratefully acknowledge the tireless work of much of the CDF staff in pulling together this analysis of how the federal budget affects children. We have provided a CDF roster in Appendix C. Please refer specific questions to the staff in the relevant area.

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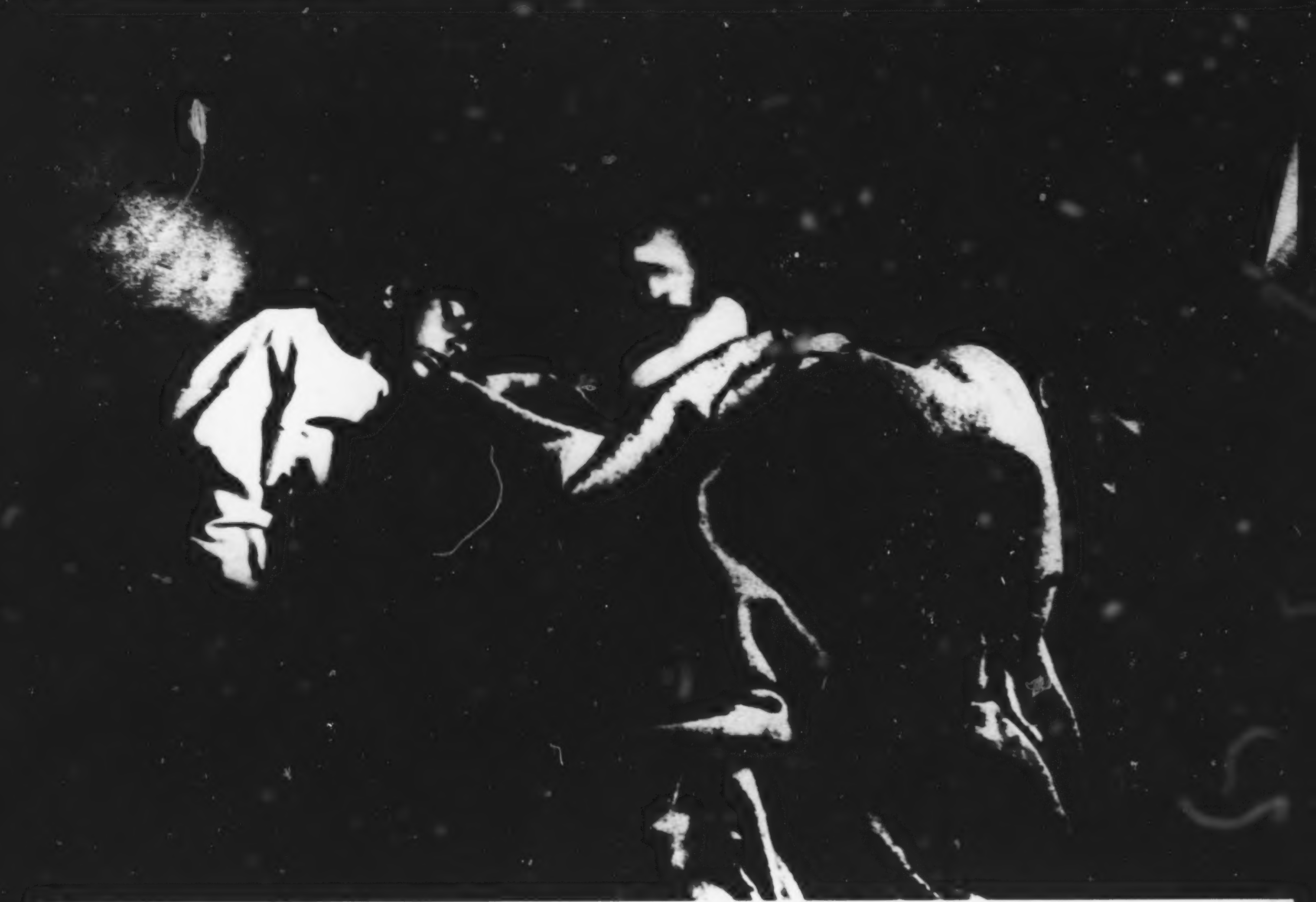

Foreword

> "Our scientific power has outrun our spiritual power. We have guided missiles and misguided men."
>
> -- Martin Luther King, Jr.

> "We have grasped the mystery of the atom and rejected the Sermon on the Mount....Ours is a world of nuclear giants and ethical infants. We know more about war than we know about peace, more about killing than we know about living...."
>
> -- General Omar Bradley

Shamal Jackson died last year in New York City. He was eight months old. Cause of death was poverty complicated by low birthweight, poor nutrition, homelessness, and a viral infection. Nine-year-old Lee, who lives in the Bootheel section of Missouri, has the stature of a six-year-old because he doesn't get enough to eat. The unnamed baby of Mary E of Mississippi died in utero. Its mother was turned away from a hospital because she could not afford to pay the whole cost of delivery. Bert W spent spent two of his earliest months of life in a shelter for the homeless after he and his mother had been evicted from their apartment building.

These children are but a few of the casualties of the 1980s Reagan America, which has spawned a new set of national beatitudes. They measure success not by how many needy pregnant women can be provided cost-effective prenatal care to prevent infant deaths and birth defects, but by how many families can be denied Medicaid and turned away from public health clinics. Not by how many hungry infants can be nourished, but by how many federal nutrition dollars

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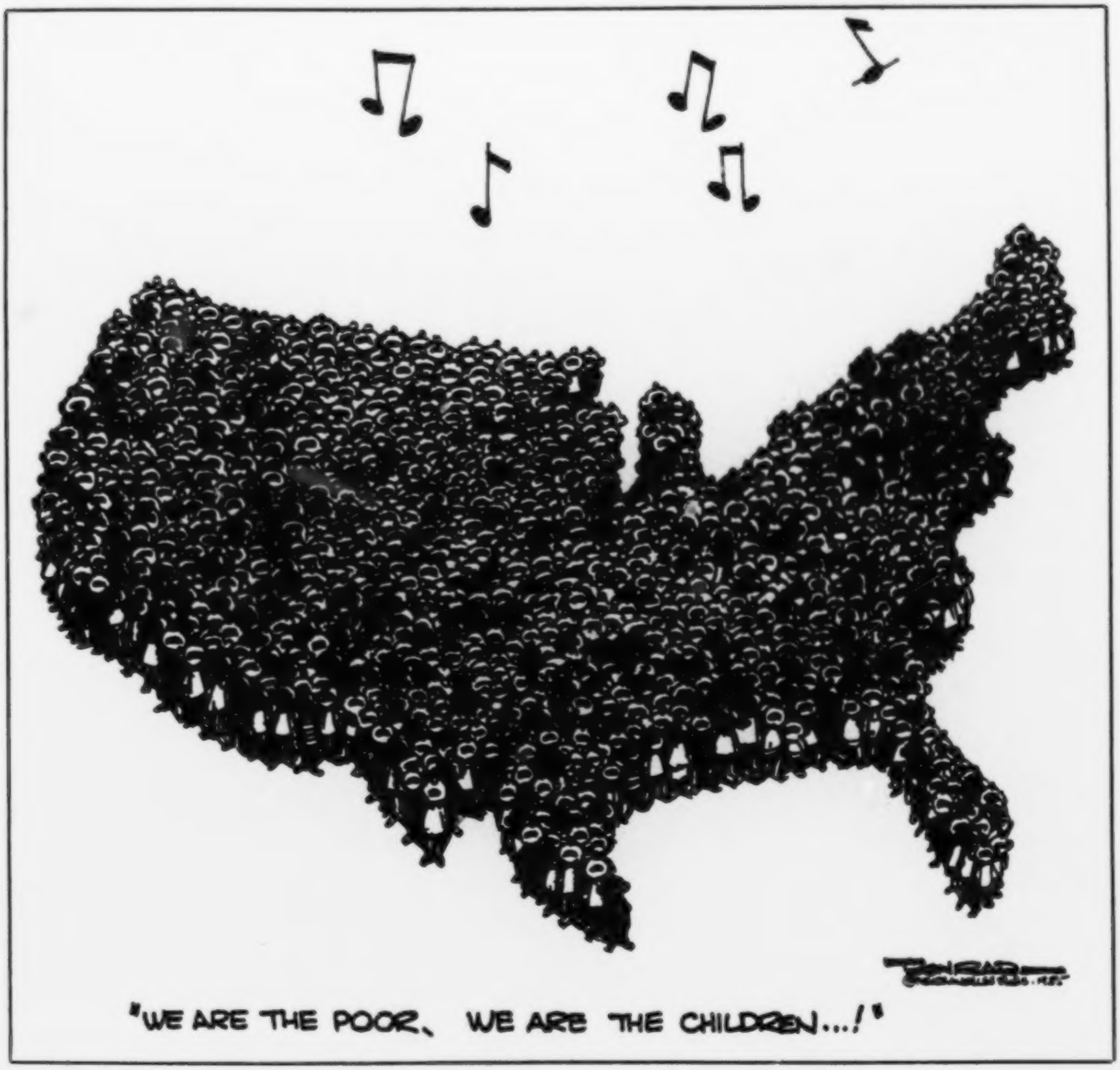

"WE ARE THE POOR. WE ARE THE CHILDREN...!"

can be held back as the waiting list of hungry babies grows. Not by how many poor homeless families are provided adequate shelter and minimum food, but by how many MX missiles we can find a hiding place for. Not by how many new babies we can keep alive in the first year of life, but by how many new nuclear bombs we can warehouse to wait for war.

The Reagan rhetoric tells us it is more blessed to judge than to help the poor; that private charity is an adequate substitute for public justice; that daily welfare payments of $3.87 to poor mothers and children encourage dependency, but daily federal payments of

Child Poverty in America

- Thirteen million children in America are poor.
- More than one out of every five children is poor.
- Nearly one out of every four children under six is poor.
- One out of every five children six to seventeen is poor.
- Almost two out of every three poor children are white.
- Nearly half of all black children in America are poor.
- Nearly two out of every five Hispanic children are poor.
- More than half of all children in female-headed families are poor.
- One out of eight children in two-parent families is poor.

$137 to each tobacco grower do not; that it is proper for government to subsidize three-martini corporate lunches but improper for government to subsidize child care to help millions of poor working mothers escape welfare; that spending millions of dollars on golf outings and sports tickets and barber shops for defense contractors is a more justifiable national security expenditure than compensatory education for disadvantaged children; that more government support for rich families strengthens families while more government help for poor families weakens them; that it is acceptable to let poor children die today from internal deprivation and poverty in order to save them tomorrow from external threats; that a child's right to life ends at birth and does not include the right to adequate prenatal and nutritional care before birth or survival health, housing, and family supports after birth.

These perverse national values, hidden behind pro-family, "traditional values" rhetoric, are manifested in budget priorities that have cut billions each year since 1980 from survival programs for poor children and families. They are creating a new American apartheid between rich and poor, white and black, old and young, government and needy, corporation and individual, military and domestic needs, and have left millions of poor children to the wolves of hunger, homelessness, abuse, and even death.

America leads the world in military spending but ranks fourteenth in keeping our infants alive in the first year of life. Between 1982 and 1983 we saw a 3.1 percent nationwide increase in the deaths of infants between twenty-eight days and one year of age.

*

REAL OUTLAYS PER CAPITA (1986 DOLLARS) FOR NATIONAL DEFENSE AND FOR PROGRAMS FOR LOW-INCOME FAMILIES AND CHILDREN

Fiscal Year	National Defense	Low-Income Programs
1980	$ 785.03	$507.85
1981	828.70	516.99
1982	910.77	456.63
1983	991.72	466.14
1984	1,029.60	465.66
1985	1,092.68	470.12
1986	1,100.50	464.87
1987	1,112.07	431.07
1988	1,125.67	421.96
1989	1,163.81	411.15
1990	1,200.85	401.10
1991	1,238.69	400.15
Change		
FY 1980-	+$ 453.66	-$107.70
FY 1981	+ 57.8%	- 21.2%

Black infants saw their postneonatal mortality rate increase 5 percent, the first rise in eighteen years. In 1983, the gap between white and black infant mortality rates was the greatest since 1940. A black infant in Chicago is more likely to die in the first year of life than an infant in Cuba or Costa Rica.

Not only have the numbers of children in poverty increased since 1979, but poor families have become poorer while rich families have become richer. In 1983, more than 42 percent of the 13 million poor children lived in families with incomes below 50 percent of the poverty line ($3,969 for a family of three and $5,089 for a family of four) while the top 10 percent of families averaged $5,000 more income (after inflation) in 1984 than in 1980.

How does the President's new budget respond to this growing crisis among poor families and children? By offering not a shred of new defense to children and families and tearing more of the inadequate safety net that already has left millions without help.

THE PRESIDENT'S FISCAL YEAR 1987 BUDGET AND CHILDREN

Under the Reagan FY 1987 budget, poor children and families would lose another $6 billion, or $16 million a day from programs that already have lost $10 billion a year since 1980. The military would gain $34 billion, $93 million a day on top of $142 billion in increases since 1980.

These Reagan child and family program cuts do not include more than $10 billion in low-income housing cuts proposed for 1987, or $1 billion in additional Gramm-Rudman-Hollings cuts in FY 1986.

Next year's proposed military budget increase alone exceeds total federal spending for two of the largest federal programs for the poor -- food stamps and Aid to Families with Dependent Children (AFDC) combined for each of the next five years -- programs the President proposes to cut by $591 million in 1987 while the Pentagon and defense contractors continue to have taxpayers fund their excesses.

President Reagan's new budget asks wealthy corporations and individuals to give up none of their federal welfare. Yet each year,

THE PRESIDENT'S FY 1987 BUDGET: THE NUMBERS

	FY 1987 Current Policy (millions)	FY 1987 Proposed (millions)	Change Proposed (millions)	Change Proposed (percent)
Categorical Programs				
Compensatory Education	$3,695.7	$3,688.2	$ - 7.5	- 0.2
Handicapped Education	1,411.0	1,303.1	- 107.9	- 7.6
Student Financial Aid	4,887.0	3,812.6	-1074.4	- 22.0
Student Loans	3,300.0	2,329.6	- 970.4	- 29.4
Maternal/Child Health	478.0	478.0	0.0	0.0
Mental Health Block Grant	490.0	490.0	0.0	0.0
Child Welfare Services	207.0	200.0	- 7.0	- 3.4
Child/Family Abuse	39.5	30.5	- 9.0	- 22.8
Social Services Block Grant (including Community Services)	3,066.0	2,700.0	- 366.0	- 11.9
Juvenile Justice	70.3	0.0	- 70.3	-100.0
Runaway Youth	23.3	23.3	0.0	0.0
Head Start	1,087.1	1,075.0	- 12.1	- 1.1
Energy Assistance	2,100.0	2,100.0	0.0	0.0
Youth Employment	664.5	428.0	- 236.5	- 35.6
Job Corps	640.0	351.7	- 288.3	- 45.0
Legal Services	305.5	0.0	- 305.5	-100.0
Entitlements				
Food Stamps	12,826.0	12,512.7	- 313.3	- 2.4
Child Nutrition	4,600.7	3,830.3	- 770.4	- 16.7
AFDC and Child Support	9,211.0	8,933.0	- 278.0	- 3.0
Foster Care & Adoption	643.0	604.0	- 39.0	- 6.1
Medicaid	25,880.0	24,708.0	-1172.0	- 4.5
Total	$75,625.6	$69,598.0	$ -6027.6	- 8.0

the growth in the cost of corporate tax loopholes is more than the entire cost to the federal government of Head Start, compensatory education, student financial assistance, and guaranteed student loans, which he proposes to cut again.

From 1987 to 1991, if the President has his way, children would lose another $33 billion in federal support. The Defense Department will gain another $385 billion in increases during this same period, and corporate tax loopholes will eat up hundreds of billions more.

Unless these misguided budget priorities are reversed, by 1990 every American will be spending 21 percent less on poor children and 58 percent more on the military than we did in 1980.

PRO-FAMILY RHETORIC AND ANTI-FAMILY ACTION

In his State of the Union message, the President envisioned our children flying to Tokyo in two hours on an Orient Express. In his budget, he has no vision to ensure them the health care, education, and training that will allow them to compete equally if and when they get there. His budget continues to bless the greedy with the federal benefits taken from the needy, to reward weapons-makers over homemakers, to penalize the poor who work, to cut rather than invest in programs to educate and train children and youths, and to let banks rather than farmers' children inherit the earth.

A NEW COURSE IS NEEDED

The American people are ready for a new course and need a new cadre of leaders to chart it. They are tired of deficits of catastrophic proportions, and of the rising tide of misery that has engulfed millions of our families, farmers, and small business people. We need strong, principled voices in Congress, in state houses and legislatures, and communities across the land to take the steps necessary to help America return to the old beatitudes of our Judeo-Christian tradition -- to help all families become self-sufficient and ensure that all children grow up healthy, educated, and with a job in their future.

There are no simple or single answers to current American problems. The overriding priority is leadership that can harness the national will to meet the needs of all its citizens. Family disintegration, hardship, and poverty have multiple causes and require multiple remedies. Government is not the only answer. But it is an important part of it. Remediation is necessary. But prevention must be the cornerstone of national budget policies for families and children in the 1980s if we are to curb current and avoid future deficits.

GRAMM-RUDMAN-HOLLINGS IS NOT THE ANSWER

Contrary to the popular perception that Gramm-Rudman-Hollings protects the poor, only ten of more than fifty low-income programs are protected from its budget buzzsaw. Even existing commitments to small Head Start children are not protected. Gramm-Rudman-Hollings across-the-board cuts, far from being "fair," will only exacerbate the existing unfairness of Reagan budget policies. The large corporation that pays no federal income taxes, thereby contributing billions to the national debt, will be untouched. So will the wealthy taxpayer who uses loopholes to reduce his federal income tax rate to 3 or 5 percent (while families with incomes at the poverty level lose 11 to 12 percent to federal taxes).

The Defense Department and programs for poor children may suffer roughly equal percentage cuts under Gramm-Rudman-Hollings, but their starting places are widely disparate. Defense spending has more than doubled while spending for children and families has shrunk dramatically. Therefore, to cut both by similar percentages will not affect both equally. It is like putting an overweight adult and a malnourished child on the same diet.

WHAT MUST BE DONE

By Government

First: All levels of government must adopt new preventive investment strategies to build healthy children and self-sufficient

youths and families. Despite the deficit, despite Gramm-Rudman-Hollings, despite shaky national and international economies, a new investment policy in children and youths beginning in 1986 is not only a moral imperative, it is a practical necessity. We no longer

Budget Choices

The House Armed Services Committee in 1985 found tens of millions of dollars in questionable "overhead" expenses charged to the Pentagon by just seven defense contractors. Here are just a few of them, and the more productive uses to which we could put the taxpayers' money:

With:	We Could:
● $10,713 for operating losses at a defense contractor's barbershop reserved for senior executives...	● provide 18,800 breakfasts in daycare homes for children of low-income working parents -- a program the President would cut by more than 37.5 percent in FY 1987.
● $62,071 to enhance a company's image after one of its planes crashed (this included $3,233 to print luggage labels touting the virtues of the downed aircraft...	● give scholarships allowing thirty-one children of migrant workers to begin a college education -- a program the President proposes to eliminate in FY 1987.
● $162,149 for give-aways by one firm that included 2,100 necklaces, 500 cigarette lighters, 200 pewter belt buckles, and 25,000 tie tacks, but only 511 ties...	● provide summer jobs for more than 200 low-income youths -- a program the President proposes to cut by 35.6 percent in FY 1987.
● $950,698 billed by one firm for expenses related to sending staff to the Paris Air Show...	● serve 380 more children in Head Start -- a program the President proposes to cut by more than $12 million in FY 1987.

BEST COPY AVAILABLE

have any margin for waste of human capital. In 1950, there were seventeen workers for each retiree. By 1992, there will be three workers for each retiree. One out of every three of those workers will be from a racial minority.

America needs every potential Abraham Lincoln, George Washington Carver, Ronald McNair, and Henry Cisneros it can develop in order to maintain its competitive edge in the twenty-first century and to support an increasingly aging population.

America cannot afford national budget policies that leave unserved 82 percent of the children who need Head Start, more than 50 percent of the mothers and babies who need WIC, 48 percent of those who need compensatory education, 54 percent who need Medicaid, and 24 percent who lack early prenatal care. Nor can we afford to ignore epidemic teen pregnancy and the lack of hope and future employment

We could:

Raise the federal excise tax on liquor, which has dropped 50 percent, to the percentage level levied in 1981 (revenues: $3.8 billion)	**and**	**Fund all the health program improvements in the Children's Survival Bill (cost: $2.7 billion) and apply more than $1 billion to reduce the deficit.**
Double the cigarette tax to 32 cents a pack, discouraging smoking while raising $5 billion	**and**	**Fund all the nutrition, family support, job training, and child care programs in the Children's Survival Bill (cost: $4.5 billion).**
Reinstate the 10 percent excise tax on jewelry, furs, and other luxury items repealed in 1967 (revenues: $2.5 billion)	**and**	**Fund all the educational programs in the Children's Survival Bill and raise the benefits for every AFDC family in the country by 10 percent.**

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opportunities that fuels it. Teen births each year create a new population larger than the population of Denver or Atlanta. How will the parents of these new babies get the skills or the jobs to be self-sufficient if President Reagan continues to slash youth employment, training, and education programs? How can we convince youths to delay pregnancy and parenthood if they have no economic future to lose?

In Chapter 1, we lay out the case for investing in children and families, and in Chapters 2 and 3 we outline a beginning blueprint for action -- a new policy agenda designed to prevent teen pregnancy and to build self-sufficient youth, and a Children's Survival Bill.

Second: Economic growth, job creation, and federal tax relief and inflation adjustment of the minimum wage for the working poor must be coupled with a comprehensive but targeted preventive investment program to build healthy children and self-sufficient youths and families. The Children's Survival Bill is designed to ensure every child's survival, to prevent teen pregnancy, to prepare youths for productive societal roles, and to strengthen families.

Third: Congress should make no new budget cuts, under Gramm-Rudman-Hollings or any other deficit reduction plan, in the demonstrably successful prevention and survival programs for children, such as Medicaid, WIC, Head Start, and others included in the Children's Survival Bill. And it is not enough to make no new cuts. Selected restorations of previous cuts and new targeted investments are needed to combat rampant child and family poverty in 1986.

Fourth: Reforms of the welfare system without resort to punitive solutions that simply hurt the poor child should be enacted. There are those who look at a family cluster with a one-year-old infant, a seventeen-year-old mother, and a thirty-three-year-old grandmother and stridently preach that the problem is due to welfare-bred dependency. Do away with welfare and the problem will disappear, they proclaim. Most teen pregnancies are unintended, and evidence does not support the common belief that welfare causes teen pregnancy. It is true that our current welfare system does not encourage the formation of two-parent families. Most states do little to help single mothers gain the skills and experience they need to get decent jobs, and half of the states exclude two-parent families from welfare. We must improve the welfare program, give recipients the chance to get the necessary skills building, employment training, and child care they need to get off welfare. We must make sure that welfare programs encourage families to form and stay together. Specific welfare reform proposals are included in the Children's Survival Bill.

Fifth: Take care and be specific in defining and responding to the varied needs of the poor. Poverty has many causes that require differentiated remedies. We must stop treating all of the poor as a single block and indicting social programs en masse. We must also stop ignoring the solvable problems of the poor by throwing them into a catch-all underclass. Most American poverty is not intractable. The majority of the poor go in and out of poverty. Most are white, though blacks are three times as likely to be poor. Many poor people are working and a majority are not receiving AFDC. Most who aren't working would work if a job were available and if they had the skills, training, child care, and transportation needed to hold a job.

While some families remain mired in poverty for periods of many years, many more come in and out of poverty for briefer periods. Two-thirds of children who are poor at some time during a fifteen-year period will be poor for no more than four years during that period. But any amount of time a child spends in poverty can leave deep scars.

More important, in this era of "Charles Murrayism," thoughtful government leaders must not be afraid of investing in or defending specific anti-poverty programs that work or are intrinsically worthwhile in simple human survival terms. Feeding hungry children and lowering infant mortality by known cost-effective methods should require no debate.

The propagators of the myth of failure speak in generalities about "social program failures" and ignore the remarkable specific successes we have had, despite limitations of funding and eligibility. In the fifteen years after Medicaid began, infant mortality dropped 49 percent, more than three times the rate of improvement during the preceding fifteen years. Family nutrition programs virtually wiped out hunger from the American landscape. Although we gave compensatory education to fewer than half of those who needed it, in the 1970s we eliminated 40 percent of the gap in reading achievement between black and white elementary school children.

Poor children enrolled in Head Start and similar programs score better on standardized tests than their peers; achieve more in school; are less likely to be absent, fail a grade, drop out, or need special education classes; and are more likely to finish high school, continue education beyond high school, and be employed. Innumerable studies of the WIC program show that the program helps increase birthweight of infants and reduce premature births and neonatal infant mortality. The same is true of prenatal care under the Medicaid program or the Maternal and Child Health Block Grant. About 1,800 babies could be saved between now and 1990 if our nation invested the modest amount needed to provide their mothers comprehensive prenatal care.

Of course some anti-poverty programs, like any major worthwhile social effort, have had failures. What corporation has not produced bad products? How many defense duds like DIVAD and the M1 tank have American tax dollars supported? Even the space program, a costly federal effort to which our society rightly remains committed, has faced huge setbacks in the quest to explore other worlds. If we had the same patient and positive attitude in the realm of social policy, we would not be confronted by a defeatism that is at odds with our nation's fundamental character: the determination to stick with a problem until it is solved. Instead, we would learn from our failures, try new approaches, and build on our successes.

Sixth: State government should continue to exercise stronger leadership on behalf of poor children and families despite federal retrenchment. States need to consider certain steps without waiting for the federal government to act. Just to list a few examples, they can, with modest investment:

- Supplement the federal WIC program with state funds to serve all women and children who are eligible for the program.
- Finance a food assistance program for pregnant women and children who are not eligible for the WIC program because

they are not at great enough nutritional risk, but are in need of food assistance.

- Provide more child care to low-income families that need such assistance to go to work.
- Fund comprehensive health clinics for adolescents, our most medically underserved population.

WHAT CAN WE DO?

Government, in partnership with families, communities, and caring citizens, can eliminate child and family poverty in America that kills more children each year than any external enemy. Just one half of the $34 billion by which the President proposes to increase the defense budget in 1987 alone could lift every poor American child out of poverty. But in order to succeed for children we must take a number of steps.

STEP ONE: REFLECT HARD WITHIN OURSELVES, OUR FAMILIES AND COMMUNITIES, ORGANIZATIONS, AND RELIGIOUS CONGREGATIONS ABOUT THE PERSONAL BELIEFS AND NATIONAL IDEALS WE WANT TO SEE AMERICA REFLECT. We must begin to chart a different course for the new political leaders we need to help us achieve a fairer, more compassionate, child- and family-oriented America in fact rather than just in rhetoric.

STEP TWO: HOLD YOUR SENATORS AND REPRESENTATIVES ACCOUNTABLE FOR THEIR VOTES FOR OR AGAINST CHILDREN AND THE POOR. The budget process drives the nation's priorities at home and abroad. It is our national Rorschach test. How well hungry children in Mississippi and Ethiopia will be fed, whether we will support just or unjust regimes in Latin America and South Africa, whether our nuclear arsenal will continue to grow or shrink, are affected significantly by the budget votes your representatives will cast in your name this year. Let them know where you stand.

Each year, CDF publishes a record of how your members of Congress vote on children and poor families. Please ask us for it and study it. So often politicians make flowery general speeches about supporting children while voting against children's specific

needs. It is the specific votes that count. Fifty-five senators and 192 representatives had voting records of 50 percent or less in support of programs critical to children's well-being in 1985.

Just as it is important to study and monitor the federal budget process, it is equally important to monitor state and local budget processes on behalf of children. We hope that in the future children's advocates will conduct analyses of every governor's budget and monitor the votes of their state legislators on children.

STEP THREE: STUDY AND SPEAK OUT STRONGLY FOR ENACTMENT OF THE PROVISIONS OF THE CHILDREN'S SURVIVAL BILL AND PROGRAMS TO PREVENT TEEN PREGNANCY. It is crucial to keep an affirmative vision for children before the natyion, state, and community. Your voice can make an important difference in how much attention your senator or representative or governor or mayor will pay to the programs in the Children's Survival Bill or to teen pregnancy prevention this year.

STEP FOUR: JOIN CDF'S CAMPAIGN TO PREVENT TEEN PREGNANCY. REQUEST OUR PAMPHLET ON WHAT YOU CAN DO. CONTACT AND JOIN OUR NEW ADOLESCENT PREGNANCY PREVENTION CLEARINGHOUSE, which provides up-to-date information on teen pregnancy prevention developments throughout the country. If you are interested in conducting a local print or electronic media campaign in your community to educate the public about teen pregnancy, let us know. In 1986, CDF is launching a five-year media campaign to prevent children from having children, including radio and television public service spots, posters, transit ads, and billoards.

STEP FIVE: RESIST DESPAIR AND KEEP POUNDING AWAY FOR A NATIONAL FLOOR OF DECENCY FOR POOR CHILDREN AND FAMILIES. Don't get sidetracked or overwhelmed by current budget insanities. Keep speaking out and working every day in your communities for better health and child care, education, and food for needy children. Just try to do for other people's children what you would want done for your own and let the consequences take care of themselves. Thomas Carlyle reminded us that "our main business is not to see what lies dimly at a distance, but to do what lies clearly at hand." Rosa Parks wasn't thinking about a Montgomery bus boycott or a civil rights revolution led by Martin Luther King, Jr., when she sat down in a "whites only" seat.

Keep speaking and striking your blow for just national policies for children and families. YOUR BLOW MATTERS. "When nothing seems to help," social reformer Jacob Riis said, "I go and look at a stonecutter, hammering away at his rock perhaps a hundred times without as much as a crack showing in it. Yet at the hundred and first blow it will split in two and I know it was not that blow that did it but all that had gone before...."

STEP SIX: PRAY FOR NEEDY CHILDREN AND FAMILIES, AND FOR THE LEADERS WHO MUST DECIDE THE FATE OF SO MANY OF THEM, THAT THEIR DECISIONS MAY BE GUIDED BY FAIRNESS AND JUSTICE. PRAY ALSO THAT YOU AND I MAY HAVE THE COURAGE AND PERSISTENCE TO HOLD THEM AND OURSELVES ACCOUNTABLE.

Marian Wright Edelman
President
Children's Defense Fund

1. Introduction: Investing in Our Children

> A child is a person who is going to carry on what you have started. He is going to sit where you are sitting, and when you are gone, attend to those things which you think are important. You may adopt all the policies you please, but how they are carried out depends on him. He will assume control of your cities, states, and nations. He is going to move in and take over your churches, schools, universities and corporations. All your books are going to be judged, praised or condemned by him. The fate of humanity is in his hands.
>
> -- Abraham Lincoln

As adults we are responsible for meeting the needs of children. It is our moral obligation, as we brought about their births and their lives, and they cannot fend for themselves.

Children are utterly dependent on adult society to meet their most basic needs so they can survive and thrive and grow into self-sufficient adults -- caring parents, competent workers with a fair opportunity for success and fulfillment, responsible citizens in a democracy. They need our help to be born healthy and at normal birthweight, which means that every mother must receive early and continuous prenatal health care and nutrition. They need adult society to meet their needs for food, shelter, and clothing. They need to grow up in an environment that is both secure and stimulating. And they need our help to get the education they need, to prepare to compete in the world of work, to make sound decisions about when to become parents, to feel valued and valuable, and to feel that there is a fair chance to succeed.

We extend this help to children not solely because of our moral obligations, but because we have faith in the future of this society, in its progress, its values, and its traditions, and we want our children to have every possible opportunity to participate in the society and contribute to it.

We also fulfill our responsibilities to children because we know that the time will come when we will expect them to reciprocate. As we grow older, we will depend on them increasingly to meet our own needs. Because of dramatic social changes in the past century, our future comfort depends not just on our own children but on all American children. In general, we no longer expect our own children to support us directly when they are adults and we are elderly. Many of us will rely instead on Social Security and Medicare, resources that will require the contributions of the next generation as a whole, and that generation's children. It is therefore in our self-interest to assure that not just our own children but their contemporaries and their children are healthy, educated, productive, and compassionate.

Today, our children are not only a precious resource but an increasingly scarce one. Until recently America's youth population has been plentiful, allowing our society to survive and our economy to grow despite the waste of many of our youths' lives through society's neglect. We no longer have that margin for error. While in 1950 there were seventeen workers for each retiree, by 1992 that ratio will have shrunk dramatically -- to three workers for each retiree.

In the next century, we will need the contributions of every child in America today. But we are far from meeting our responsibilities to all children to make that possible. This book is about the large and growing minority of American children whose poverty casts a shadow on their future -- and our own. And it is about how our nation can invest in the future by helping these children.

SHARING THE RESPONSIBILITY -- FAMILY AND SOCIETY

> There is no finer investment for any community than putting milk into babies.
>
> -- Sir Winston Churchill

In America, parents bear the primary responsibility for meeting the needs of their own children. Rich or poor, most parents make every effort to give their children not only food, clothing, shelter, and health care, but the intangibles of self-esteem, motivation, and hope.

But American society is a complex organism, and no family shoulders this burden alone.

From the day that they are born, our nation invests in all children:

- Most children are born either in public hospitals that are directly supported by a state or local government, or in private, nonprofit hospitals built mainly with loans and grants from the federal government and tax-deductible private gifts.

- Most American children are educated in public schools that are funded by the taxes of parents and non-parents alike. The formal education of children is a responsibility that we have decided should be shared publicly.

- Taxpayers are allowed to deduct state and local tax payments for education from their income in figuring federal taxes if they "itemize" (as most high-income taxpayers do). In this way, the federal government makes its largest financial contribution to education.

- Most American children who are able to pursue higher education receive large amounts of public support, either by enrolling in public institutions or by receiving government-subsidized grants or loans, or through scholarships made possible by tax breaks.

- Millions of middle-income American families receive federal or state housing subsidies through programs such as Federal Housing Administration or Veterans Administration insurance and tax-exempt revenue bonds. Millions receive federal tax relief when they pay property taxes and make mortgage interest payments.

- Most American families pay many of their medical bills with the help of employer-paid insurance, which the government subsidizes by not treating as taxable income.

- Most American families live in neighborhoods that provide parks, libraries, playgrounds, and other enriching services underwritten by the government.

A Summary of Selected Federal Programs for Children

1787	The Northwest Ordinance grants federal lands to states to help maintain public schools.
1796	President Washington recommends establishment of a national university.
1813	President Madison signs law encouraging vaccination.
1857	President Buchanan signs law incorporating the institution for the deaf and blind that later becomes Gallaudet College.
1862	President Lincoln signs Morrill Act, granting land for colleges.
1865	President Lincoln signs law creating the Freedmen's Bureau, which provides 15 million food vouchers, clothing, income supplements, job training, energy assistance, and housing assistance for a quarter of a million families, and medical expense reimbursement for a million persons.
1874	President Grant signs Padrone Act outlawing traffic in Italian children brought to the U.S. for exploitation as beggars.
1912	President Taft signs law creating U.S. Children's Bureau "to investigate and report upon all matters pertaining to the welfare of children."
1917	President Wilson signs Smith-Hughes Act to support vocational education.
1921	President Harding signs Sheppard-Towner Act creating a federal-state program for maternal and infant health.
1933 & 1942	President Roosevelt signs laws providing federal funds for nursery schools and day care.
1935	President Roosevelt signs law creating Social Security, AFDC, and unemployment compensation.
1946	President Truman signs National School Lunch Act.
1954	President Eisenhower signs amendments allowing the child care tax credit.
1958	President Eisenhower signs National Defense Education Act to provide federal funds to public schools to improve training in science, mathematics, languages, and counseling, as well as funds for higher education student loans and other programs.
1961	President Kennedy signs law creating AFDC-Unemployed Parent program for two-parent families.
1964	President Johnson signs Economic Opportunity Act, creating Head Start, Job Corps, and other educational and occupational training programs for children.
1965	President Johnson signs Medicare and Medicaid law, as well as the Elementary and Secondary Education Act giving funds to school programs for children of low-income families.
1970	President Nixon signs the Education of the Handicapped Act.
1974	President Ford signs Juvenile Justice and Delinquency Prevention Act and Runaway Youth Act.
1980	President Carter signs Adoption Assistance and Child Welfare Act to assure major reforms in state foster care and child welfare services systems.

In these and myriad other ways, our local, state, and federal governments invest in children and help support families. We do this to enhance, not to detract from, the role of the family. The relationship between family, community, and government is synergistic, strengthening both the family and the society in the complex undertaking of caring for children and building the future for them.

This partnership between family and government has its roots far back in American history. To find its origins, one must reach back before the War on Poverty, before the New Deal, to the first federal funding for maternal and child health programs in 1921, to the Civil War era, and to the period before the adoption of the Constitution, when the Congress of the Confederation granted federal lands to help maintain public schools (see box).

Our public schools, our public universities, our libraries and parks and playgrounds, our health insurance, our housing assistance, and our support for hospitals grow out of this tradition and are seemingly permanent parts of the social and political landscape.

But our commitment to help the neediest children has seemed increasingly fragile and ephemeral in recent years. If we want to preserve their futures and our own, we will have to rededicate ourselves to government's side of the partnership, and we will have to do it soon.

CHILD POVERTY IN AMERICA

> It is a reproach to religion and government to suffer so much poverty and excess.
>
> -- William Penn (1693)

More than one out of every five American children -- 13 million out of 62 million -- was poor in 1984, the last year for which the government has counted the poor.

Poverty rates can so easily become an abstraction -- a list of percentages or a numerical chart. But growing up poor in America today has a very concrete meaning:

> I was asked to tell you what it's like to live in a single-parent home with no money.

> Sometimes it's sad because I feel different from other kids. For instance, when other kids get to go to fun places and I can't because I don't have enough money and they do.
>
> Most of my friends get an allowance but I don't because my mom doesn't have enough money to pay me. They get to get the things that they want and need and I don't.
>
> The other day in school we had this balloon contest, and it only cost one dollar and out of three years I haven't been able to get one.
>
> Me and my brother are a little hard on shoes. This summer the only shoes we had were thongs and when church time came, the only shoes we had to wear were one pair of church shoes. The one that got them first got to wear them. The one that didn't had to wear a pair of my mom's tennis shoes or my sister's.
>
> I have a big brother. He is not my real brother. He is with the Big Brothers and Big Sisters Association. Once I tried to tell my big brother about welfare. It was so embarrassing I was about to cry. I don't like Joe just because he takes me a fun place every week. I like Joe because he makes me feel special.
>
> Sometimes I pray that I won't be poor no more and sometimes I sit up at night and cry. But it didn't change anything. Crying just helps the hurt and the pain. It doesn't change anything.
>
> One day, I asked my mom why the kids always tease me and she said because they don't understand, but I do understand about being on welfare and being poor, and it can hurt.
>
> Shawn, 10 years old
> September 21, 1985

Shawn is one of the 13 million children below the poverty line. The poverty line is an income level that the federal government sets to approximate the amount of money that will allow a very frugal family to barely pay for its most essential needs. It varies by family size. For example, the poverty line in 1984 was $10,609 for a family of four; it was $8,277 for a family of three.

When we are told that 21 percent of American children were poor in 1984, it means that more than one-fifth of America's children lived in households with incomes below these levels. Imagine preparing a monthly budget for a typical family of four with an income $3,666 below the poverty line -- the 1984 median amount of income below poverty for all poor families. It means being faced every day with impossible choices between buying food, paying the rent or the heating bill, getting essential medical care, or buying clothing for young children.

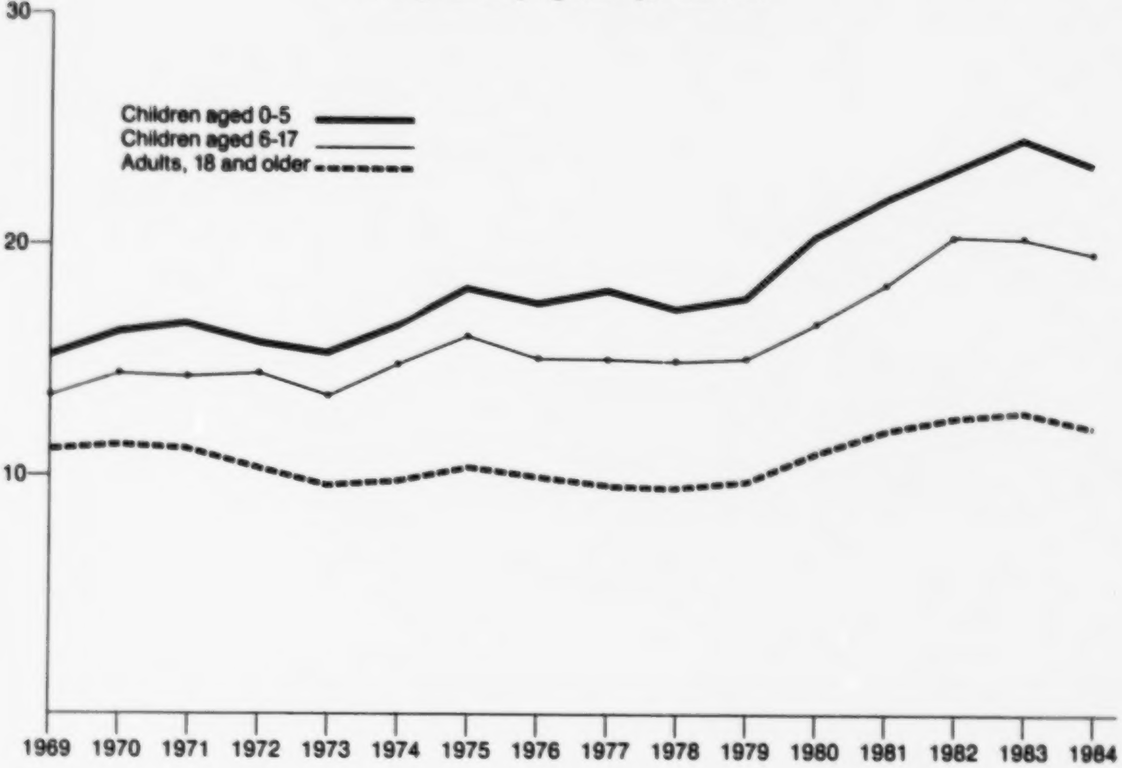
If this family paid 40 percent of its monthly income -- a common proportion -- for rent, it was left with $347 per month, out of which it would need $336 to eat, according to a 1984 U.S. Department of Agriculture estimate of the expense for a low-cost food plan. This left the family with $11 a month with which it could pay for clothing, transportation, medical care, child care, school fees, utilities, telephone, furniture, and other needs, except that the federal government took $7 of that $11 for taxes.

Certain groups of children are particularly likely to grow up in these painful circumstances:

- Our youngest children suffer a higher poverty rate. Twenty-four percent of the children younger than six were poor in 1984, compared to 20.2 percent of those aged six to seventeen.
- Minority children suffer a far higher poverty rate. In 1984, 46.2 percent of black children and 38.7 percent of Hispanic children were poor, compared to 16.1 percent of white children.
- Children living in female-headed, single-parent families suffer a much higher rate (54 percent in 1984) than other children (12.5 percent).
- For children who fall into two or three of these categories, the risk of poverty becomes a probability. In 1984, for example, in female-headed households 71 percent of Hispanic children and 66.2 percent of black children were poor.

Overall, children in America have become far poorer than other age groups. They suffer by far the highest poverty rate, a rate that has soared in the past fifteen years even as poverty among adults generally has stayed stable.

Poverty Rates by Age Group, 1969-1984



"The United States in the 1980s may be the first society in history in which children are distinctly worse off than adults," notes Senator Daniel P. Moynihan of New York.

Nor has the economic "recovery" done much to mitigate the recent surge in child poverty. Only 210,000 children were lifted out of poverty in 1983 and 1984, two years of economic recovery, and a fraction of the 3,146,000 who had fallen into poverty from 1979 to 1982. The child poverty rate still is higher than at any time since the early 1960s. A rising tide does not lift all boats, and the smallest boats are awash. At the rate of improvement that took place in 1983 and 1984, and assuming we suffer no more recessions, it would take thirty years -- nearly two generations -- to get the number of poor children back to the levels of 1979, levels that were even then intolerable.

THE COSTS OF CHILD POVERTY

Greater child poverty means worse nutrition, less health care, more homelessness, less education, and greater despair as opportunities and options are foreclosed.

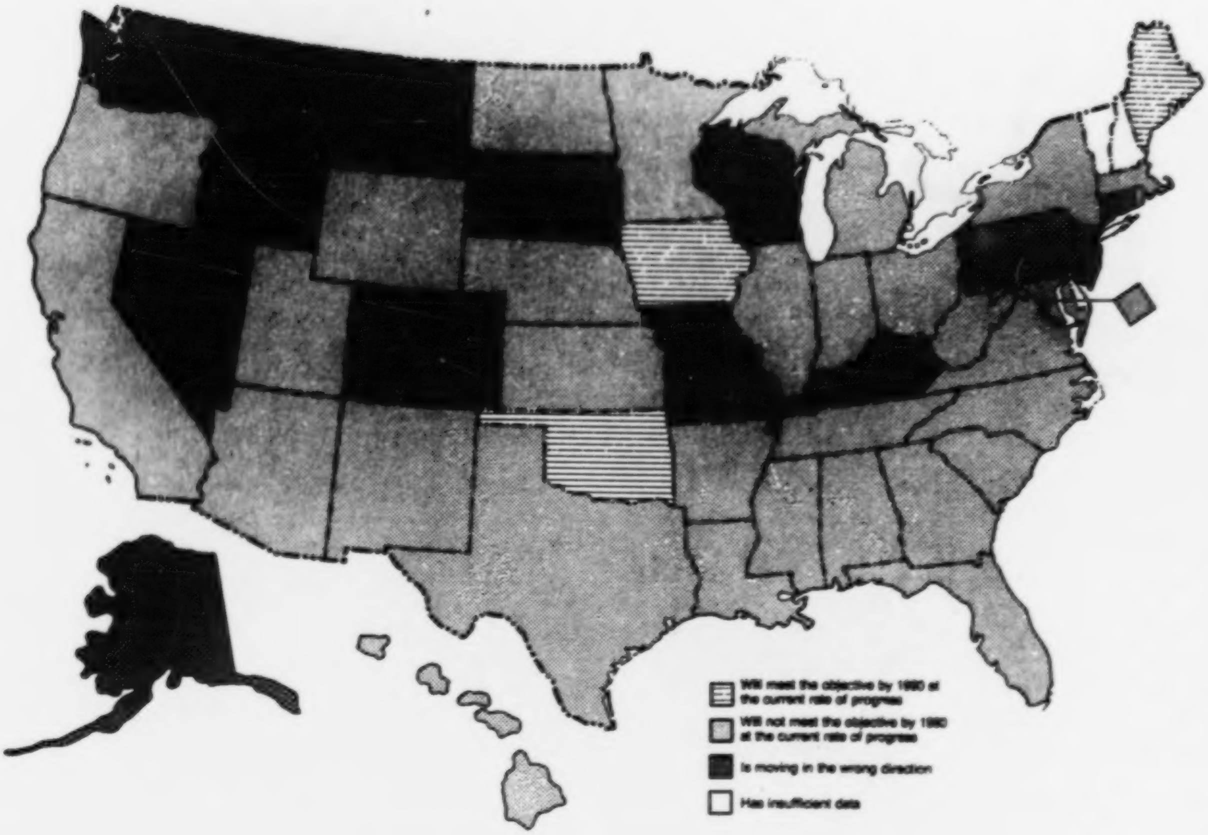
The consequences of child poverty begin at birth. For a child to be born healthy, his or her mother must receive early and continuous prenatal care and nutrition. But a child's chances for a healthy start are far lower if he or she is poor:

- Women at the greatest risk of poverty are the least likely to receive early and continuous prenatal care. Babies born to mothers who do not receive prenatal care are then three times more likely to be low-birthweight babies, and low-birthweight babies are twenty times more likely to die in infancy. In 1983, for the third year in a row, the percentage of American women receiving no prenatal care or only late prenatal care (during the last trimester of pregnancy) rose, after a decade of progress.

- A recent report from New York's Coalition for the Homeless shows the impact inadequate care can have on poor women and children. Barbara W, eight months pregnant when first interviewed at a welfare hotel, had been without any prenatal care until her seventh month of pregnancy when she was rushed to the hospital in premature labor. After two weeks of hospitalization, she was told to return to her hotel room and stay in bed for two more weeks. That was impossible. Under welfare department rules Barbara W had to go repeatedly to her welfare center to avoid having her benefits terminated. She also had to go to court to fight eviction from the hotel because the welfare office had stopped issuing the rent checks to which she was entitled. And she had been left without food stamps for three months because of bureaucratic mistakes. That contributed to her weakness, weight loss, and hunger. Two weeks after being interviewed, Barbara W phoned the Coalition office, weeping because her baby was born dead. She said that the doctors attributed the baby's low birthweight and death to stress and poor nutrition.

- Among infants, death rates are highest for the poor and minorities. Our nation's progress in reducing infant mortality has slowed -- from a 5 percent annual rate of improvement in the 1970s to a 3 percent annual rate between 1981 and 1983. This reflects, in particular, a slowdown in improvement for black infants, who are disproportionately poor.

PROGRESS TOWARD THE POSTNEONATAL MORTALITY GOAL, ALL RACES


Will meet the objective by 1990 at the current rate of progress
Will not meet the objective by 1990 at the current rate of progress
Is moving in the wrong direction
Has insufficient data

In 1979 the Surgeon General of the United States set goals for the year 1990 for such public health indicators as infant mortality. The goals were modest ones. At the rates of progress made between 1978 and 1983, only three states will reach the postneonatal mortality goal by 1990. Thirty-two states are not improving rapidly enough to meet the goal by the target date. Thirteen states are moving in the wrong direction. (Three states have insufficient data to chart a trend.)

A society's rate of infant deaths between twenty-eight days and one year of life -- postneonatal mortality -- is not only a reflection of improved medical technology and public health and sanitation (as are rates for the first twenty-eight days), but also a reflection of the general quality of the child's situation -- the community's ability and willingness to provide public health services, housing and nutrition, basic medical care, and other family supports. American postneonatal mortality has risen for two consecutive years, from 1982 to 1983 and from 1983 to 1984 (according to provisional data), by about 9 percent overall.

Every child needs food to survive -- to develop physically and mentally. But in the affluent America of the 1980s, hunger and malnutrition are re-emerging as problems among our children.

- In a study issued in 1985, the Physician Task Force on Hunger in America reported finding widespread hunger among poor children in all geographic areas it studied.
- In Chicago's Cook County Hospital, a recent study found that 30 percent of all children coming to the hospital's emergency room had abnormally low rates of growth, and half of these children suffered from inadequate diets.

Every youngster needs health care throughout childhood. But many families cannot afford to take their children to the doctor on a regular basis, and thus do so only in extreme emergencies.

- One in every eight American poor children has no health insurance, either privately or through a public program, and another one in five is insured for only part of each year.
- One in ten poor children (and one in seven Hispanic children) under the age of two will not see a physician even once during an entire year.

Every child needs to grow up in a caring, protective, and secure environment. For a growing number of children with working parents, this need includes access to decent out-of-home child care. Further, all children must grow up in a home environment free of threatened or actual maltreatment. But today too many children do not have these basic protections.

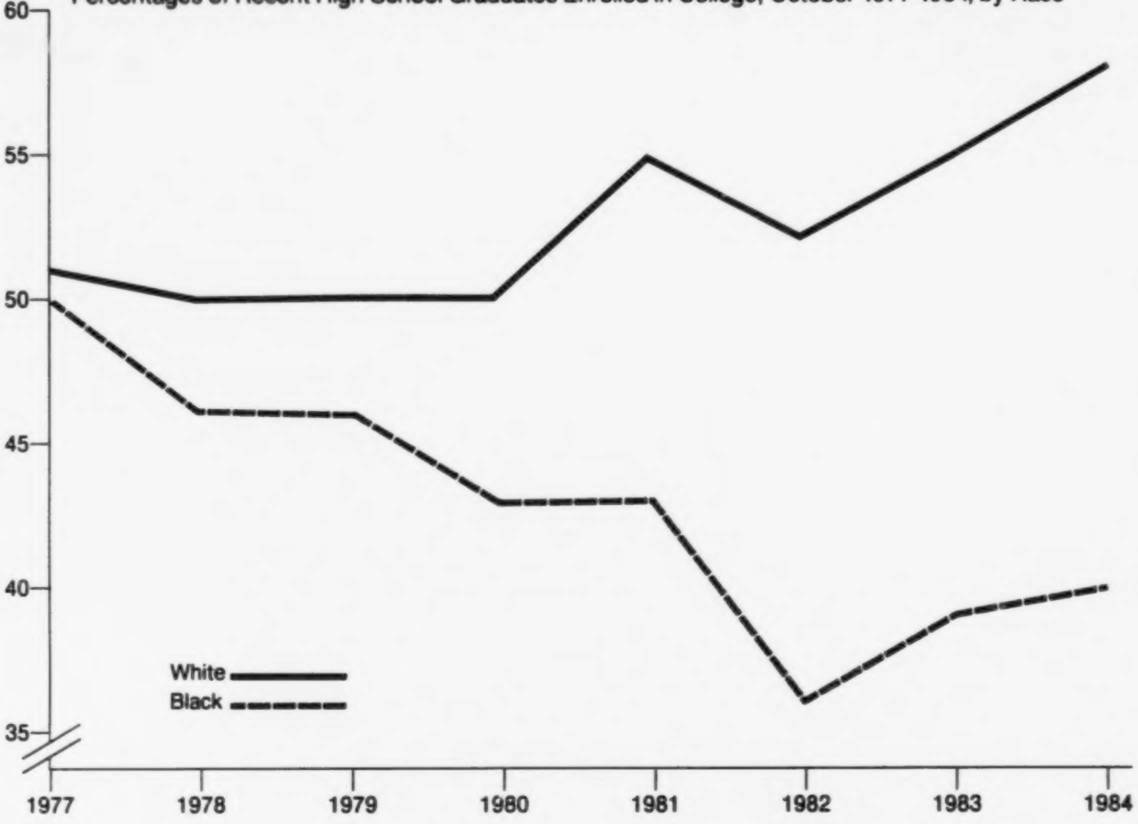
- Connecticut reports that fewer than one-third of the children needing day care can be accommodated in licensed facilities. The Association for Children of New Jersey found that close to 250,000 elementary school children in that state are home alone after school.
- In 1984, 1.7 million children were reported abused or neglected, a 40 percent increase since 1981.

Every child needs shelter, and heat in winter. But the dearth of affordable housing has created a new crisis of homelessness among our nation's poor families, and has forced millions of others to pay ever greater amounts for heat and rent and less and less for food and other subsistence needs.

- The number of lower-income households paying more than half of their incomes for rent and utilities rose from 3.7 million in 1975 to 6.3 million in 1983.
- The U.S. Conference of Mayors' report, The Growth of Hunger, Homelessness, and Poverty in America's Cities in 1985, found that 66 percent of the homeless in New York City's shelters in 1985 were families with children. Families made up more than 40 percent of the homeless in Chicago and Boston. Eighty-five percent of the cities surveyed reported increasing numbers of homeless families with children.
- In northern states energy costs eat up an average of more than 20 percent of the incomes of low-income households.

Every child needs a sound education in order to grow into a self-sufficient adult. But too many of our poor children are falling through the cracks of our school system. Even those who do graduate face curtailed opportunities in higher education.

- Roughly 14 percent of American children do not complete high school. Poverty is a major contributor: dropout rates for students from poor families are three to four times greater than those for students from affluent households.
- Black youths, many of whom are from poor or near-poor backgrounds and depended on college student aid and Social Security student benefits to pursue a college education, are facing an erosion of higher education opportunities. In 1977, 51 percent of white and 50 percent of black high school graduates went on to college. Since then, the racial disparity has grown substantially.



Percentages of Recent High School Graduates Enrolled in College, October 1977-1984, by Race

As he or she matures, every child needs to get first-hand work experience. Too many of our children do not.

- The overall teen unemployment rate in January 1986 was 18.4 percent, compared to 16.1 percent at a comparable point in time after the last big recession ended. The rate among black youths was 41.9 percent in January 1986. Hispanic teens also face a higher rate: 27.3 percent in November 1985.

Every child needs to delay parenthood until he or she is an adult ready to assume parental responsibilities. But many poor youths today lack some of the sense of motivation, self-esteem, and hope they need to make sound decisions about their future.

- Each year half a million Americans give birth while still in their teens.

- A recent study by the Alan Guttmacher Institute compared our nation's alarming adolescent pregnancy rates with the lower rates in other wealthy countries. According to the institute, countries such as the United States that have higher teen pregnancy rates are the same ones where families at the bottom of the economic ladder get a relatively small proportion of national income.

FAMILIES IN POVERTY: UNEMPLOYMENT, WAGES, AND WORK

> The working poor work harder and longer than high-status jobholders. (But) they lack the political and cultural power to correct the stereotypes that affluent people hold of them and thus continue to be thought of as lazy, spendthrift, and so on, whatever the empirical evidence....
>
> -- Sociologist Herbert Gans

Millions of children remain locked in poverty despite their parents' efforts to make the income necessary to provide for their basic needs. Recent governmental and private sector policies resulting in high unemployment and low wages have increased poverty and made the struggle of poor families harder.

Most poor families in America are trying -- against growing odds -- to earn the income they need to pull themselves and their children out of poverty.

Among adults who aren't disabled, elderly, or single parents nurturing small children, more than two-thirds of heads of poor households worked either full or part time during all or part of 1984. This included more than half of all single heads of poor households and fully 80 percent of men who head poor households.

For a growing number of Americans, however, working does not mean escaping poverty. Lower-income children whose parents do work, even full time, are much more likely to wind up in poverty than at any other time in the recent past. The stagnation of the minimum wage is one major reason. The minimum wage is the hourly pay rate that the federal government says is a minimum for most jobs. In the past, it often has been increased to keep pace with inflation. But it has been held at the same level since President Reagan took office, with the result that, in real dollars (adjusted for inflation) a minimum wage worker in 1986 is taking home less than four-fifths of what he or she earned in 1980.

By comparing the declining value of the minimum wage to the inflation-tied rise in poverty levels, the following chart shows how this drop has pushed many American families into poverty. This means that the more than 4 million American hourly workers who earn the minimum wage and the nearly 2 million with hourly earnings below the minimum wage are not making nearly enough money to provide a family with the basic necessities of life.

Year	Hourly Minimum Wage	Annual Earnings For 2,000 Hours' Work (50 Weeks of 40 Hours)	Poverty Level (3 Persons)	Full-Time Minimum Wage Earnings As Percent of Poverty Level for 3
1964	$1.25	$2,500	$2,413	103.6%
1969	1.60	3,200	2,924	109.4
1974	2.00	4,000	3,936	101.6
1979	2.90	5,800	5,784	100.3
1980	3.10	6,200	6,565	94.4
1981	3.35	6,700	7,250	92.4
1982	3.35	6,700	7,693	87.1
1983	3.35	6,700	7,938	84.4
1984	3.35	6,700	8,277	80.9
1985	3.35	6,700	8,589 (est.)	78.0
1986	3.35	6,700	8,934 (est.)	75.0

Indeed, in 1984 more than 11.4 million Americans with hourly wages were paid at such low rates (less than $4 an hour) that income from a full-time job would be insufficient to bring a family of three out of poverty. In 1979 the total with such inadequate wages was 2.8 million.

Another group of Americans is poor because they cannot find work or cannot find enough work. Today, unemployment is at historically high levels, given the context of three years of economic recovery.

In December 1985, thirty-seven months after the end of the 1981-1982 recession, the official unemployment rate was still 6.9 percent. After the same amount of time had elapsed following the last big recession (1973-1975), the official unemployment rate was 6.1 percent. Of the 11.5 million workers who lost jobs due to plant shutdowns or relocations from 1979 to 1984, only 60 percent got new jobs during that period, according to a February 1986 report by the congressional Office of Technology Assessment.

We are seeing progressively higher unemployment rates become the norm. During each recession, unemployment climbs higher than during earlier recessions. During each period of recovery unemployment drops, but not as far as it did during earlier recoveries. Unemployment now has topped 6.5 percent for sixty-nine consecutive months, a phenomenon we have not seen since the Great Depression.

POOR FAMILIES AND TAXES: ADDING TO THE PAIN

> It is commonly agreed that households with incomes below the poverty level should pay little or no tax.
>
> -- U.S. Department of the Treasury,
> November 1984

Poor families struggling to survive on meager wages face another burden: skyrocketing federal taxes. In 1979, a family of four with earnings at the poverty line paid less than 2 percent of its income in federal Social Security and income taxes. In 1986 that same family, if still earning (inflation-adjusted) poverty-line wages, will have nearly 11 percent of its income taken by the federal government. Tax rates for single-parent families are even higher.

Despite the huge tax cut passed in 1981, a family of four or more making poverty-line wages has been subjected to tax increases -- not just in dollar amounts but in the portion of its earnings that the government takes -- every year since 1979. Between 1980 and 1982 alone, the total federal tax drain on America's poor families grew by 58 percent.

As a result, more and more families see their impoverishment exacerbated rather than relieved by the federal government. And this tax policy has pushed hundreds of thousands of other families with very low incomes down into poverty. Poverty rates, which are figured on the basis of family income before taxes, leave out the millions more Americans -- 2.1 million members of families with children in 1984 -- who in reality are poor because, after taxes, their spendable incomes fall below the poverty line.

DECLINING FEDERAL HELP FOR CHILDREN IN POVERTY

> A society that sacrifices the health and well-being of its young upon the false altar of economy endangers its own future, and, indeed, its own survival.
>
> -- California Supreme Court, 1974

The America of the 1980s presents us with a cruel paradox: while the rich are getting richer and often are getting more government help, the poor are getting poorer and receiving less help.

The decline in federal assistance for children has made living in poverty a harsher existence for 13 million children, and it has crippled the efforts of their families to struggle back up out of poverty.

The biggest cuts came in 1981. That year, Congress and the President enacted cuts in programs for low-income families and children totaling $10 billion per year for 1982 and a roughly equivalent amount for each subsequent year. Among the casualties of these reductions were Medicaid, maternal and child health programs, family planning services, child immunizations, Aid to Families with Dependent Children, food stamps, school lunches and breakfasts, public housing for poor people, compensatory education to enable disadvantaged youngsters to keep up in school, day care services to enable poor single and teen mothers to work, and many others.

In succeeding years, the President has asked for more huge cuts in children's programs. Since 1982, however, Congress has rejected those proposals, making small reductions in some programs in some years and modest increases or improvements in other programs.

Congress seems to have wakened to the truth that repeatedly slashing survival programs for poor children is both unfair and short-sighted. But limiting the damage is not good enough. If Congress only stops cuts, poor children will continue to lose ground. Even before the 1981 reductions, these programs were not adequate to meet the needs of America's poor children. Due to the growth of child poverty, many more children now need this help. And inflation continues to eat into funding levels, so that even flat funding for a program means that there is less and less available to the children who need it. In constant dollars (adjusted for inflation), a long list of programs serving children, youths, and families has been battered by cuts and freezes.

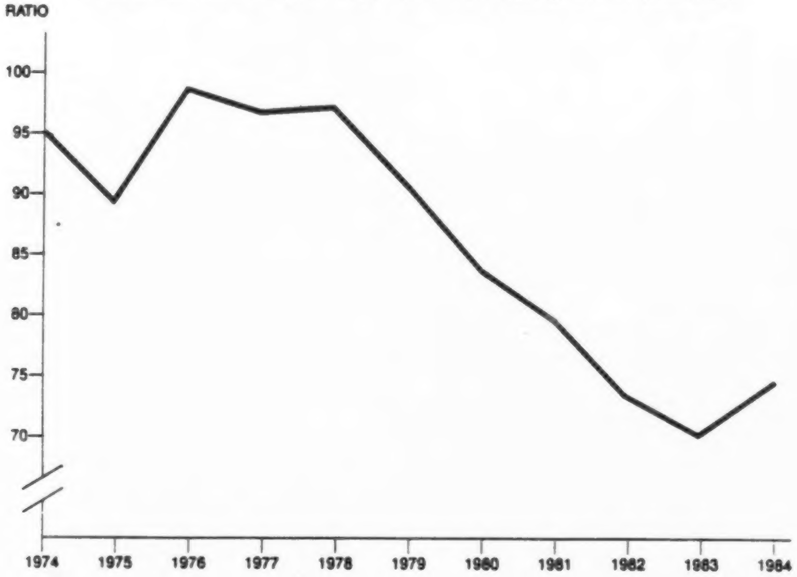
While the cuts in some of the larger income and health programs designed to help Americans weather unemployment and poverty have been smaller proportionally, their impact on families' struggle to survive has been devastating. Moreover, many of these cuts were targeted on poor working families -- those with incomes of $6,000 or $8,000 a year -- making life as harsh for them as for other poor people and removing incentives to work. Other major cuts were aimed specifically at teenagers, withdrawing support during the crucial period when they are making the transition from high school to work.

During the 1970s, a majority of the jobless received unemployment benefits each month. In the 1980s, in part because of cuts in the unemployment programs, the number of unemployed Americans receiving this help plummetted, reaching a record low in October 1985 when only 25.8 percent of the officially unemployed received benefits.

In difficult economic times, more families would be expected to turn to Aid to Families with Dependent Children (AFDC) as their last resort. But AFDC also was cut. In 1983 the average monthly AFDC payment per family was $312.88, 65 percent of the level fifteen years earlier after adjusting for inflation. And because of the combination of more restrictive program rules and an increase in the number of poor children, participation rates plummetted. In 1978, seventy-six children were on AFDC for every 100 poor children in the country. In 1984, that ratio had dropped to fifty-five per 100.

Families requiring Medicaid to meet rising health care costs have faced similar barriers. As services have been reduced and access to care constricted, the expenditures on behalf of each recipient child dropped sharply, from $470.91 in FY 1979 to $406.08 in FY 1983 in constant (1983) dollars. In Medicaid as in AFDC, many fewer children are now eligible when contrasted to the growing population of poor children.

Number of Children Receiving Medicaid per 100 Children in Poverty, 1974-1984 (fiscal years)



The one form of federal help to families that has increased consistently in recent years is assistance to families through tax breaks. Such help is important to middle- and upper-income families, but does extremely little for those poor families who need help the most.

- Tax subsidies for employer-paid health insurance do not help the children of an unemployed parent, or the children of a worker in a low-paying job that gives no fringe benefits, or gives health coverage to the employee but not to her dependents.

- Spending and tax subsidies for owner-occupied housing do not help a family that is too poor to own a home, or whose income is too low for the tax break to help. From 1979 to 1984, the cost in the tax system for the mortgage interest break rose from about $8 billion to $23 billion. The federal budget for assistance through lower-income housing programs, however, followed precisely the opposite pattern, falling from $24 billion to $10 billion during those years.

- A tax break for child care doesn't help the infant of a working mother who earns too little to pay any significant income taxes. The cost to the government of the dependent care tax credit nearly quadrupled from 1981 to 1985, while federal spending on child care for poor families dropped.

Poor children do not necessarily need more help from the federal and state governments than other children are given. What poor children most often need, but too infrequently obtain, is equal help in a different form.

Such help has been cut drastically during a period of economic turmoil for the poor. At the same time, the federal government has given a huge tax cut to the wealthy. Combined with an uneven economic recovery, this has caused a widening of the gap between rich and poor. The distribution of income in this country is more unequal now than at any time since the Census Bureau began compiling these data in 1947. In 1984, the latest year for which such figures are available, the wealthiest 40 percent of U.S. families gathered in the largest share of national income since 1947, leaving the poorest 40 percent and the 20 percent in the middle with their smallest shares since then. Between 1980 and 1984, $25 billion in disposable income changed hands from poor and middle-income Americans to the richest 20 percent of the population, according to the Urban Institute.

PRESIDENT REAGAN'S FY 1987 BUDGET

> "A nation that continues year after year to spend more money on military defense than on programs of social uplift is approaching spiritual death."
>
> -- Martin Luther King, Jr.
> April 14, 1967

For the sixth year in a row, President Reagan has targeted poor families and children for huge budget cuts. Under his FY 1987 budget, children would lose another $6 billion in the upcoming year alone.

Over the five years from 1987 through 1991, children would lose $33 billion in federal support if the President has his way. Not all portions of the budget are being asked to sacrifice, however. The

President proposes a $34 billion increase in defense spending in FY 1987 alone.

Despite ominous public health trends for pregnant women and babies, the President proposes to cut Medicaid again, this time by $1.2 billion for FY 1987. He proposes to reduce AFDC again, this time by $278 million. Despite the return of widespread hunger and malnutrition, he would cut Child Nutrition programs by $770 million, or 16.7 percent, and food stamps by $313 million. In the face of the homelessness crisis, he proposes to end the Emergency Food and Shelter Program that has helped the homeless and hungry with $300 million since 1983. He wants to eliminate about one-quarter of assistance to students in higher education, and nearly 50 percent of funds for Job Corps and summer jobs for youth. He wants to reduce or eliminate funds for Head Start, child care, low-income housing assistance, handicapped education, child abuse services, immunizations, juvenile justice, and a host of other essential programs.

The President's budget would deny more poor children the basic necessities, continuing to allow the Pentagon and defense contractors their excesses, at the taxpayers' expense.

While programs for poor children get less money than they need, the Pentagon cannot spend all its money fast enough. During the period FY 1982 to FY 1985, the Pentagon received at least $18.2 billion more spending authority than it needed to pay for even the long list of costly programs that have been approved by Congress. The surplus resulted from the Pentagon's overestimate of inflation, coupled with its request for 30 percent more than its own inflation estimate.

With this $18.2 billion from a mistake in the Pentagon's ledger, we could restore all the money the President wants cut from children's survival programs in 1987, and have enough left over to offer the services of WIC, Head Start, and compensatory education to every poor child in America who needs them.

A few other sensible measures could give more poor children and families the health care, the nutrition, the child care, and the other services that they need without increasing the deficit.

We could:

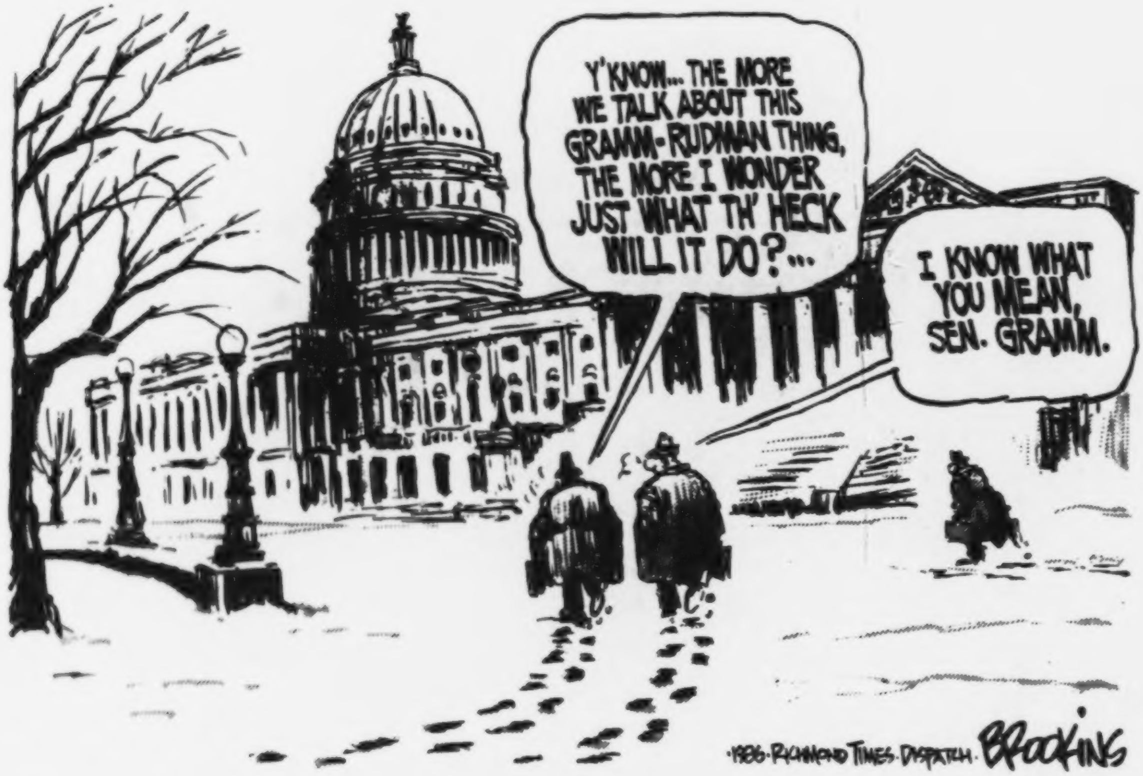
• Raise the federal excise tax on liquor, which has dropped 50 percent, to the percentage level levied in 1981 (revenues: $3.8 billion)	and	• Fund all the health program improvements in the Children's Survival Bill (cost: $2.7 billion) and apply more than $1 billion to reduce the deficit.
• Double the cigarette tax to 32 cents a pack, discouraging smoking while raising $5 billion	and	• Fund all the nutrition, family support, job training, and child care programs in the Children's Survival Bill (cost: $4.5 billion).
• Reinstate the 10 percent excise tax on jewelry, furs, and other luxury items repealed in 1967 (revenues: $2.5 billion)	and	• Fund all the educational programs in the Children's Survival Bill and raise the benefits for every AFDC family in the country by 10 percent.

And we could cut the projected deficit by hundreds of billions of dollars over the next five years ($122 billion in 1991 alone) just by holding the defense budget growth to the level of inflation, by restoring corporate taxes to the percent of the Gross National Product they were at in 1979, and by recovering a mere one-third of the estimated $80 billon dollars per year we know our nation loses to tax evasion.

THE GRAMM-RUDMAN AMENDMENT AND CHILDREN

This year, the greatest threat to the future of American children is not likely to be President Reagan's budget. Like the President's last three budgets, his FY 1987 proposals were pronounced "dead on arrival" by congressional leaders of both parties. But 1986 poses new -- and unpredictable -- dangers to children's survival programs because of Congress' enactment of the Gramm-Rudman balanced budget amendment.

Chapter 4 describes this new law in more detail. Briefly, it drastically changes federal budget procedures in an attempt to


Y'KNOW... THE MORE WE TALK ABOUT THIS GRAMM-RUDMAN THING, THE MORE I WONDER JUST WHAT TH' HECK WILL IT DO?...
I KNOW WHAT YOU MEAN, SEN. GRAMM.
·1986·RICHMOND TIMES-DISPATCH· BROOKINS

eliminate the budget deficit in five years. It does so in a way that threatens seriously to endanger funding for federal programs that are vital to the lives and well-being of low-income children, youths, and families.

Gramm-Rudman requires Congress and the President to come up with budgets each year that meet steeply declining annual deficit targets. If they fail to agree on enough new budget cuts and tax increases by the beginning of the fiscal year -- as is likely -- the law requires across-the-board reductions sufficient to comply with the deficit targets. Half of these automatic budget cuts would fall on defense and the other half on the non-defense domestic budget. Only a handful of the most fundamental survival programs for children and families would be spared.

This leaves most important programs for poor families and children completely vulnerable to automatic spending reductions. Such programs as Head Start, compensatory education (Chapter 1), the Social Services Block Grant (Title XX), the Maternal and Child Health Block Grant, Child Welfare Services, summer youth employment, immunizations, family planning, mental health services, bilingual education, low-income energy assistance, and Legal Services all would suffer cuts. For FY 1986, which already has begun, Gramm-Rudman requires an $11.7 billion deficit cut. All of these programs and many others now are slated for a 4.3 percent reduction in FY 1986 -- $47 million from disadvantaged and minority children learning how to learn in Head Start, $21 million from poor pregnant mothers and children getting health care through the Maternal and Child Health Block Grant, $159 million from youngsters trying to catch up in school through Chapter 1 compensatory education, and millions from each of dozens of other programs serving needy children and families.

Starting in FY 1987, even those few programs that are sheltered from the automatic spending reductions may not be shielded from the all-out hunt for budget savings by the President and Congress.

The President has announced his approach: deep cuts in children's programs, whether exempt from Gramm-Rudman or not; no tax increase; and another massive increase in defense spending. This is the formula that helped create the deficit problem in the first place.

The danger to children is not that Congress will accept all of the President's recommendations, but that, in order to avert the automatic Gramm-Rudman cuts, members of Congress will accept more of them than they would under normal circumstances. Further, if the President and Congress arrive at a stalemate, a huge across-the-board cut -- possibly as much as 20 percent -- will occur. The results would not hurt just poor children, but all of us, cutting programs that work for children and save money in the long run.

BUILDING OUR FUTURE: PROGRAMS THAT WORK

> I lost my first two babies through miscarriages. I never really knew why. We never had the money to go to a doctor. Steve and I both work, but we don't have health insurance. We were saving our money to give the hospital for delivery.
>
> Then a friend of mine told me about the new nurse at the health department. I went over and she examined me right away, gave me blood and urine tests, signed me up for a food program called WIC and told me to come back next Wednesday to see the doctor. When I saw the doctor, she

> told me to quit smoking, gave me a shot with a medicine called Rho-Gam, and told me to come back every six weeks.
>
> I was nervous the whole time. Unless it's happened to you, you can't realize what it's like. Worrying all the time about waking up and your baby being dead.
>
> But nothing happened this time. I just got more and more pregnant. And finally we went to the hospital and everything was okay. Timmy was seven pounds. I don't know who to thank, but it's sure made a difference in our lives.
>
> -- Linda H, a new mother in Ohio

The problems of child poverty are not insoluble. In many ways they are not particularly difficult, or particularly expensive, to solve. We know some of the solutions from our own experiences in this country. We know others from the experiences of other countries: virtually every wealthy western country suffers much less from child poverty and its consequences than we do. We know the way, but we need the will.

Tragically, many of our leaders today lack that will. They urge us to abandon our efforts to help our neediest children because after we aimed a few government programs at the problem in past decades poverty did not disappear.

These leaders ignore the drastic limitations on our past efforts to help poor children. Our country has not yet made a long-term, concentrated effort to eliminate poverty through jobs or an income policy (except for the elderly, whose poverty we have reduced dramatically through Social Security and Supplemental Security Income). Rather, we have created a network of marginal programs, each of which serves very limited groups of the poor, almost always with inadequate funding -- food for some, medical care for others, compensatory education in some school years but not others, housing assistance for some, child care for a few, and so on.

The successes on which we can build are solid and inspiring. Despite their limits, most of the public programs for children and youths -- programs started by Presidents Madison, Lincoln, Taft, Wilson, Harding, Eisenhower, Nixon, and Carter, as well as by Roosevelt and Johnson -- have worked well. Through them, we transformed the lives of millions of children, from despair to hope, from sickness to health, from ignorance to learning. Instead of being defensive we should be proud -- that we did so much with so little and that our society does have the compassion, the instinct for justice, the common sense, and the will to salvage the lives of millions of our children. Our spirits should soar at what we did and what we can do.

Millions of children did escape poverty in the 1960s and early 1970s. By 1977 black and white high school graduates were entering college at equal rates. In the fifteen years after Medicaid began, black infant mortality dropped 49 percent, more than nine times the rate of improvement during the preceding fifteen years. In 1963, before the creation and expansion of several federal public health programs, only 63 percent of pregnant women in America began prenatal care in the first trimester of pregnancy. By 1979 that figure rose to 76 percent. The gains that children who have been enrolled in Head Start make -- in elementary school, in high school, in higher education, and in the employment market -- are well documented. The WIC program increases birthweight of infants, reduces premature births, and reduces neonatal infant mortality.

Those who call these programs "failures" apparently do not include a healthier, better fed, better educated, more skilled nation in their definition of success.

The goal of extending these and other needed services to poor children is well within our reach. Our nation could lift every poor family in the country out of poverty for $30.1 billion, or seven-tenths of 1 percent of the Gross National Product in 1986. And such an investment in our children would yield long-term savings to our society. We are wasting our resources when we cut or freeze cost-effective, preventive programs for pregnant women and children. We are wasting lives and potential when five-sixths of the children needing Head Start do not get it, or when hundreds of thousands of pregnant women receive late or no prenatal care.

A bipartisan staff report of the House Select Committee on Children, Youth, and Families said in 1985 that we have:

> "...proof of our ability to improve the lives of millions of vulnerable American children, while reducing the need for later and more costly expenditures. The fact is that we already know enough to use public policy to benefit children, and do so in a way that returns funds to the federal treasury. We have been able to reduce infant mortality, overcome early learning deficiencies, and provide early educational access for handicapped children....By not reaching out to the [millions of] unserved children, we are foregoing opportunities for new successes as well as burdening future taxpayers with more costly public expenditures."

For every dollar we invest in early and continous prenatal care through Medicaid, Title V, and other programs, thereby decreasing infant mortality and rates of low birthweight, studies show that we save anywhere from $3 to $11 in the costs of medical care after birth and of institutional care for some of the babies who would have been born handicapped.

Every dollar we invest in the WIC program saves as much as $3 in short-term hospital costs, and more over the long term.

Compensatory education, which costs about $600 per year per student, can save us more than the $2,400 we spend when a student has to repeat a grade. Students who repeat grades are more likely to drop out later or get pregnant too early, so our society's stake in the preventive measures is great.

Every dollar invested in early education for handicapped children, including quality preschool, saves $3 in later special education costs.

Every dollar invested in the Job Corps returns $1.46 to the society.

Every dollar invested in Head Start and similar preschool programs will net us $7 in the long run, and $3 in the short run from reducing special education placements and grade retentions and from freeing parents to work.

A generation ago, our nation set goals of equal opportunity, greater fairness, the amelioration of poverty. More recently, there has been a focus on preserving the family, on national security, and on limiting the size of government. Public investment in children, including a strong federal role, is necessary to reach any of these goals.

Without adequate prenatal care, without good child nutrition, without a broadened Head Start program, without compensatory education, without a major reduction in the extent and depth of child poverty, we cannot have equal opportunity or greater equality. But without these we also cannot sustain economic growth, maintain our society's strength, or preserve the family. Ironically, without them we cannot even limit the size of government, since cost-effective programs are needed both to help poor children today and to save us money tomorrow.

Our task cannot be accomplished overnight. It must begin with small steps that can prepare the way for larger gains. In the following chapters we have set out proposals that can serve as a starting place for our efforts: first, an agenda for preventing adolescent pregnancy and encouraging youths to move toward self-sufficiency, including initiatives in education, job training, health care, and other key services for adolescents; second, the Children's Survival Bill, which presents a broader series of proposals for renewed federal commitment to effective programs that meet the most fundamental needs of our children.

Building the future requires us to confront child poverty as a society, in concerted ways, over the long term. This isn't an old idea or a new idea, a liberal or a conservative cause, or a Republican or a Democratic agenda. Investing in our children is simply an imperative.

2. An Agenda for Adolescent Pregnancy Prevention and Youth Self-Sufficiency

INTRODUCTION

There is no single cause of or group affected by adolescent pregnancy. Changes in our families, our values, and our economy all have contributed to the tragedy of children having children. And just as there is no one reason for teen pregnancies, there is no "quick fix" -- no single solution that offers a complete or adequate response to this complex problem.

The proposals that follow -- an agenda designed to prevent pregnancies and to help more of our young people become self-sufficient adults -- represent only a first and a partial answer to the challenge of adolescent pregnancy prevention. They constitute an agenda for government -- federal, state, and local.

Of course, government alone cannot solve this problem. To combat teen pregnancy in our communities, this agenda must be accompanied by our personal efforts -- as parents and concerned citizens -- to speak out and reach out to young people who are at risk of becoming teen parents. Through our families and our churches we must fight against the erosion of our children's values by the messages of the media, and work to reinstill a sense of personal responsibility and self-esteem among our youths. As leaders in our communities, we must provide strong and positive role models for our children, teaching by example the importance of self-help, compassion, and hard work. An agenda for parents and community organizations and institutions is set out in a separate CDF publication, "Preventing Children Having Children: What YOU Can Do."

But government has an important role in helping to solve the problem. And this role goes beyond simply helping provide sex education or family planning services for sexually active teens, because the problem goes well beyond the absence of such education and services.

Too many of our young people today lack either the capacity or the motivation to delay pregnancy. It is true that without knowledge of the potential consequences of sexual activity and access to services that help prevent pregnancy, many teenagers unintentionally begin families before they are prepared to care for them. Of equal importance, however, too many of America's poor and minority youths who have no hopes for better futures become parents too young because they do not think that they have anything to lose. If they postpone parenthood, they believe, it will not help them finish school, or get a good education while in school, or get a decent job when they leave school. And too often this belief is correct.

For these reasons, the adolescent pregnancy prevention and youth self-sufficiency agenda calls for investments in our young people that will enable them not only to make responsible decisions but to move along a steady path toward self-sufficiency. The agenda reflects the need for progress on many fronts, addressing four basic goals: restoring hope and responsibility among youths, strengthening families, building a solid foundation for teenagers, and helping adolescents with special needs.

As teenagers grow up and become sexually active, expectations and responsibility are linked closely. Disadvantaged children who are denied the hope, much less the expectation, that hard work will bring tangible rewards or that tomorrow can be better than today also have no motivation to learn to take responsibility for their futures. The agenda includes innovative strategies for bolstering responsibility and hope, expanding opportunities for work and learning while also strengthening decisionmaking skills, rewarding hard work, and encouraging responsible behavior.

An adolescent pregnancy prevention strategy also must provide teens the capacity to avoid pregnancy, both by making their families stronger and by supplying them with the services they need to avoid pregnancy. The agenda proposes essential improvements in health care, education, and other services for those adolescents at risk of becoming parents too young.

Finally, the agenda addresses the special needs of troubled adolescents and youths in out-of-home care who represent an especially vulnerable population. The agenda seeks to ensure that the futures of these young people are not further clouded by too-early parenthood.

All levels of government -- federal, state, and local -- must tackle the problem of adolescent pregnancy and the challenge of helping youths grow into self-sufficient adults. Virtually every item on the agenda provides the basis of a pregnancy prevention initiative at each level of government. A teen health clinic will need federal and state funds as well as assistance from the city or county health department. School boards have a critical role to play, but they will need help from other levels of government to do the job fully. Given the magnitude of the task, the combined resources of federal, state, and local governments will be needed to mount an effective response. But no level of government should wait for the others to act first.

Some components of the agenda require immediate public investments in health care, child care, education, and income supports, investments which in the long term will yield important savings in government expenditures. Other elements can be implemented by reorganizing or improving existing services without additional resources or with minimal expense. Yet other elements, such as child support enforcement, should return more money than they cost, even in the short term.

In all cases, the long-range costs of inaction -- human, social, and economic -- warrant strong preventive measures to combat adolescent pregnancy.

The federal elements of the agenda have been incorporated in the Children's Survival Bill that follows this chapter.

A section-by-section summary of the adolescent pregnancy prevention and youth self-sufficiency agenda follows. For more information, contact CDF's Adolescent Pregnancy Prevention Clearinghouse.

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PART I: BOLSTERING RESPONSIBILITY AND HOPE

Youth Opportunity Accounts

For many poor and minority youths, the future holds little promise. Those living in communities with few jobs or opportunities to develop their skills often find little reason to delay pregnancy and parenthood. Lacking a real chance to contribute to society and help themselves through work or service, disadvantaged teenagers often have no way to learn the rewards of sustained effort or the responsibilities and mutual obligations that are part of being a parent and an adult.

The creation of youth opportunity accounts would respond to these urgent needs by offering participating teenagers a stake in the future and an opportunity to improve their own skills and prospects through hard work and achievement. Youths would accrue credits in their opportunity accounts by successfully completing various education, work experience, and community service activities. They could subsequently redeem these credits to cover costs of participation in vocational training, postsecondary education, or paid employment opportunities. Demonstration efforts should be undertaken by the federal, state, and local governments -- limited initially to a small number of sites -- to document the feasibility of this approach and explore options for its broader implementation.

A system of youth opportunity accounts would serve multiple purposes. It would send a clear message to young people that they can open doors to the future through personal effort and achievement; would teach youths responsibility for their own actions, as well as the value of service to others; and would expand opportunities for work and learning where they are seriously inadequate. All represent important investments in the future self-sufficiency of poor and minority youth.

Child Support Enforcement

Failure of absent parents to support their children has reached epidemic proportions. In 1984, 8.7 million women were living with children under the age of twenty-one whose fathers were not present in the home. Only 58 percent of these women had been awarded child support. Of those who were supposed to receive child support in 1983, only half received the amount due. Twenty-six percent received partial payment, and 24 percent received no payment at all.

States must undertake more rigorous efforts to establish child support obligations and to make child support collections on behalf of families seeking such services from the states. This could serve two functions. First, children desperately need the child support payments to meet their basic needs for food, clothing, shelter, and medical care. Second, a good child support enforcement system may encourage family formation and encourage young fathers to assume responsibility for their children.

As part of the 1984 Child Support Enforcement Amendments, Congress mandated that states put in place more effective child support enforcement mechanisms and clarified that states must provide such enforcement services to both Aid to Families with Dependent Children (AFDC) and non-AFDC families. Despite these mandates, many families desperately in need of child support services cannot get effective assistance because states do not provide the resources and staff to serve them. Effective state implementation will help children (including those of teen parents), may encourage increased involvement of noncustodial parents in the children's lives, and will save states money because effective child support enforcement should reduce welfare costs.

Another important concern for states is the age at which child support ends. Older adolescents often are caught in a bind: typically their child support is terminated before they have completed the education or training necessary for them to be self-supporting. The child support obligation normally ends when a child reaches the age of majority -- eighteen in most states, as a result of the trend to lower the age of majority from twenty-one. This affects not only the behavior of the eighteen- or nineteen-year-old, but also the sixteen- or seventeen-year-old who sees that a source of support for further education is about to end, in some instances forcing the child to quit school. It also can give the child the often incorrect notion that he or she can be self-sufficient and comfortably assume adult responsibilities, including parenthood, at age eighteen.

CDF urges that state laws mandate that, in all appropriate circumstances, absent parents be required to provide support for children beyond the age of majority to enable them to finish high school, vocational or technical training, or college.

After-School Care for Young Adolescents

In a recent poll conducted by the Center for Early Adolescence, parents of ten- to fifteen-year-old children said that they were unsure of their young adolescent children's needs, fearful for the well-being of their children, and bewildered about what to do to improve the situation. Young adolescents are also at risk when left for long hours in unsupervised settings. Young teenagers may become pregnant, or get involved in drug and alcohol abuse or juvenile delinquency.

For low-income adolescents who may be struggling to stay in school but are falling further behind, after-school hours are an especially important time. These youngsters are not only vulnerable to negative influences, they are also more likely to be able to benefit from an enriched after-school experience. In short, with more and more women in the work force, it is becoming more and more important to structure good educational and recreational programs that offer to young adolescents constructive activities with peers as well as caring relationships with adults, both after school and during the summer.

Federal, state, and local funds must be provided for after-school programs for young adolescents. Legislative initiatives should provide authorization and funding to help communities start and operate a variety of programs that could be run by agencies ranging from schools to churches and community-based organizations. Community organizations also should explore the extent to which they can, within existing budgets, begin to develop after-school services in the interim.

Community Learning Centers

By the time they reach high school, some youths have established a pattern of academic failure in traditional classroom settings. The cycle of poor academic performance, low expectations, and eventual resignation can take hold even in junior high and middle schools, particularly among children who do not receive strong parental support for academic achievement or whose families don't have the resources to give them the help they need outside of school.

Without diverse incentives for learning and opportunities to build self-esteem, through both in-school and out-of-school programs, these teenagers face high risks of dropping out and becoming parents at an early age. Improving their academic skills, their ability to keep up with their age group in school, and their chances to graduate and get decent jobs serves to deter too-early parenthood.

The absence of supervised and constructive activities for young adolescents in low-income communities during after-school hours also heightens the risk of teen pregnancies. Extracurricular programs can provide an important boost to the self-esteem of students who are struggling in school, while also ensuring adult supervision for children in their teens who have outgrown traditional child care arrangements but remain too young to be left alone.

Governments at all levels should address these needs by establishing community learning centers that combine remedial education activities with recreational, social, after-school, or vocational training programs serving at-risk youths. Grants under these new initiatives should be targeted to community-based organizations and youth-serving agencies that have demonstrated a capacity to reach poor and minority youths in out-of-school settings, including public housing sites. In many areas institutions of higher education should be involved.

The development of community learning centers would build upon the strong record of existing remedial education programs operated by some community-based organizations to serve out-of-school youths and adults who lack basic academic skills, promoting literacy and GED preparation. Separate part-time programs would encourage and reinforce academic gains for youths still in school. Providing these services during after-school and weekend hours, the centers would supplement the efforts of public schools and strengthen the awareness of at-risk youths that basic skills are essential to future self-sufficiency.

Dropout Prevention

Young people who fail to finish high school are at substantially greater risk of becoming parents at an early age. They also are considerably less likely than their peers to become self-sufficient adults. High school dropouts are almost twice as likely as graduates to be unemployed. Research suggests that school completion is one of the most important factors influencing youths' future employment, earnings, and capacity for self-support.

Particularly in low-income communities, however, much too large a share of our young people drop out of school, many at an early age. About one in four teenagers from poor families (regardless of race) fails to graduate from high school, compared to one in twelve non-poor students. In major urban areas with large concentrations of poor youths, high school dropout rates frequently exceed 40 percent. This alarming dropout problem reflects the many difficulties confronting public schools in low-income neighborhoods: inadequate resources, limited opportunities for parental and community involvement, and low morale and expectations among teachers and administrators.

This dropout initiative, which should receive federal, state, and local support and resources, would target funds to schools with high dropout rates for the development of community-based dropout prevention efforts. In order to compete for dropout prevention funds that would be made available, schools would be required to prepare a dropout prevention strategy with substantial public input, including participation by parent organizations, youth-serving agencies, churches, and other community-based organizations. Funds could be used to support a range of targeted activities, such as work-study programs, individualized remedial instruction, curriculum revisions, and the establishment of alternative schools for at-risk youths. In all cases, however, the planning and implementation of such initiatives would be undertaken with active and sustained involvement by parent and community groups. Grants would be awarded to support the most promising approaches in the areas of greatest need.

A federal dropout prevention initiative should combine financial support for the school improvement efforts outlined above with the creation of a nationwide data collection system to provide reliable information on school dropouts. Gaps and inconsistencies in current dropout data collected by schools significantly hinder research and the formulation of appropriate public policies to tackle the problem.

At the state level, funding for promising programs should be accompanied by changes in the rules for distribution of state per capita education funds that would be necessary to allow effective community-based remedial programs serving dropouts to receive per pupil expenditures through local school districts. Revisions to state law also would authorize incentive payments to school districts on a per capita basis to offset the added costs of special programs serving dropouts who return to school.

Jobs for Unemployed Youths

Today's youth unemployment rates, particularly among poor and minority teenagers, are unacceptably high. A paying part-time job can provide a powerful incentive to stay in school and also can build a base of work experience, enhancing future employability. The income, responsibility, hope, and self-esteem associated with paid employment strengthen the incentives and the motivation among teens to avoid early parenthood.

Direct job creation efforts, targeted at low-income youths and tied to school attendance or participation in an alternative education program, can bolster both academic achievement and future self-sufficiency. Part-time employment during the school year as well as full-time jobs in the summer months, subsidized in part by the public sector, would alleviate the overwhelming joblessness now found in most poor communities. Requirements that participants continue academic work also would stress the importance of basic skills and the responsibilities that accompany participation in this program of self-help.

Job placements in a "stay-in-school program" can be developed directly through public sector agencies or created through wage subsidies to private sector employers. A steady, incremental expansion of work opportunities would allow communities and public agencies to build upon existing summer youth employment or other work experience programs and develop necessary linkages with public schools and education agencies. Federal, state, and local governments should undertake these efforts.

Life Planning and Sex Education

Today's children are growing up in a world far more complicated and demanding than it was even thirty years ago. Teens normally are expected to delay the traditional markers of adulthood -- completion of education, entrance into the labor force, marriage, and family formation -- in order to accommodate needs for increased education, career exploration, and training. At the same time, however, we are placing greater demands on teenagers. Decisions made at ages thirteen, fifteen, and seventeen often play a crucial role in determining our youths' adult success -- decisions about high school completion, college or vocational training, careers, and, most important, parenthood.

Too few teens are being offered sufficient adult guidance in making these important decisions. Even fewer are being given instruction in how to make good decisions, or sound information about the importance of doing so. Too many teens drift into decisions that they later regret.

The decision to become sexually active, because of its potential long-term consequence -- parenthood -- is perhaps one of the most important decisions an adolescent will make. Two-thirds of a sample of adults recently polled believe that parents have little or no control over this decision, and that, while family education and communication are key elements in sex education and pregnancy prevention, the schools have an important role to play. The link between sex education and teen pregnancy prevention has been well documented. For example, a recent international study conducted by the Alan Guttmacher Institute clearly suggests that sex education (and the provision of contraceptive services to sexually active teens) has little effect on rates of sexual activity among teens but does encourage sexual responsibility and, consequently, reduces teenage pregnancy rates.

The availability, quality, and timeliness of life-planning programs currently vary tremendously across and within states.

Reflecting the central role that state governments traditionally play in setting standards for educational practice, this initiative would establish state initiatives in support of life planning and decisionmaking curricula in public schools, including a state mandate that all public school students receive such instruction (including age-appropriate sex education) at elementary, junior, and senior high school levels.

While many school districts offer some instruction on physiology, pregnancy, and childbirth, few offer students an opportunity to get this information early -- before they become sexually active -- and in a context that strengthens their decisionmaking skills. Only two states -- Maryland and New Jersey -- and the District of Columbia now require that school districts offer life planning/sex education programs.

Many elements of this initiative would require state leadership and policy guidance but little or no additional state expenditures. Broad goals and minimum requirements for life planning/sex education programs would be incorporated in state law and regulation.

The development of specific curricula, however, would be left to local communities and school districts, many of which have the beginnings of adequate family life education programs already in place. Community involvement in the development and review of curricula would be encouraged, and the rights of individual parents would be protected through provisions for excusing students at parental request. Technical assistance in identifying and adapting model curricula that have proven successful in strengthening decisionmaking skills and encouraging teens to delay pregnancy would be offered by the state to local school districts.

The acceptance and the effectiveness of these programs depend heavily upon adequate training for teachers so they have both the information and the comfort with this sensitive topic necessary to teach it well. Therefore, this initiative also would provide state financial support to in-service teacher training programs, including workshops, courses, and seminars led by community professionals. This training effort should be coupled with the establishment of state certification procedures to ensure that teachers have sufficient knowledge to present life planning/sex education curricula.

Finally, this initiative would encourage the development of related programs sponsored by community-based professionals and organizations that would reinforce efforts in schools and provide the curricula in out-of-school settings.

Family Planning Clinics

The federal Title X program provides essential health, family planning, and health education services to more than 1 million young women and mothers each year. It is a key element in any concerted effort to prevent teen pregnancy. The program is both effective and cost-effective. In 1981 alone, family planning clinics prevented more than 800,000 unintended pregnancies. Studies have shown that the program yields savings of $1.80 for every dollar invested.

These services are of special importance to teenagers. In 1982, there were 4.5 million sexually active fifteen- to nineteen-year-old females. Nearly 3 million of them were unmarried, and an estimated one-third were using no method of contraception and thus were totally unprotected from the risk of unintended pregnancy. In addition, teens of all races are more likely than adults to get family planning services from clinics rather than from private medical providers, and black teens are significantly more likely to obtain services through clinics.

During a visit for family planning services a woman might seek advice on preventing pregnancy, obtain or renew a method of contraception, receive a checkup or examination for problems with contraceptives, or have a pregnancy test. While teens make visits for all of these reasons, teens are the most likely age group to visit a clinic to see a counselor, reflecting their greater need for information and education on ways to prevent pregnancy. Federal, state, and local governments must provide greater resources to Title X clinics.

PART II: BUILDING THE CAPACITY OF TEENS TO BECOME SELF-SUFFICIENT

Compensatory Education

Research demonstrates that children who fall far behind in school are far more likely than their peers to become teenage parents. They feel unsuccessful in school, with options for further education and decent jobs increasingly foreclosed, and they perceive, rightly or wrongly, few reasons for not having children.

Increased investments in remedial and compensatory education programs are a key form of primary prevention of teen pregnancy. Such investments can boost the basic skills of at-risk youths, improving their competence and ability to help themselves while also reducing the likelihood of too-early parenthood.

At the federal level, compensatory education should be strengthened by adding substantial funds to the existing Chapter 1 program and channeling a portion of these additional funds to middle schools for services to ten- to fourteen-year-olds. Chapter 1 programs now rarely reach beyond the elementary school level, but study after study has shown that Chapter 1 services are tremendously beneficial in helping disadvantaged children keep up with their peers in school.

Recognizing that Chapter 1 services will fail to reach nearly half of all eligible students even if there is a substantial boost in federal expenditures, states and local school districts must supplement the federal effort with their own targeted investments in remedial programs for young adolescents who are falling behind in middle schools. These initiatives should be considered as integral parts of broader state and local education reform efforts. They are particularly necessary to ensure that the adoption of tougher academic standards or graduation requirements as part of the education reform movement do not increase dropout and teen pregnancy rates among at-risk youths, but rather that such youths obtain the assistance they need to meet those standards and help themselves graduate and make the transition to employment.

Case Management Services for Teens and Young Teen Parents

Comprehensive services should be available to teens before they are pregnant to prevent early pregnancies as well as to young teen parents to provide them the supports they need with their children and to prevent second pregnancies. Too often, comprehensive services do not exist, but even when they do there is poor coordination of resources within communities and little effort to ensure that the teens get the support they need to negotiate complex service delivery systems.

The case manager model used by the Teenage Pregnancy and Parenting Project (TAPP) in San Francisco, California, has been very successful in reaching out to pregnant and parenting teens and ensuring that they identify the services and supports they need and use them consistently for as long as needed. The TAPP Project has shown improvements in birth outcomes, decreases in the number of repeat births, and increases in the number of teens who continue in school. The case manager's role has been an essential factor in these successes.

The case manager, knowing the client's special needs, can function both as counselor and broker for the client. To become self-sufficient, a teen must learn to find and appropriately use such services as health care, family planning, after-school activities, and job training. The case manager's continuing involvement with the teen enables the manager to assist clients in career and life planning. The manager is also helpful in connecting the teens to services they may be reluctant to seek on their own, such as family planning or early prenatal care.

The case management model, borrowed from the fields of mental health and developmental disabilities, can be cost effective because it allows early identification of needs, prevents problems from intensifying, and avoids duplicative delivery of services. It requires skilled staff who are knowledgeable about teens and community resources and who are sensitive to their clients' needs.

State and local governments should invest resources in case managers for teens who are at risk of becoming parents, as well as teens who are pregnant or have given birth to a child. Target groups could include young high school dropouts, teens in foster care, and other at-risk populations. Local social service agencies in some states are required by law to be notified by hospitals of births to all young women seventeen years of age or younger, and the agencies then are responsible for notifying the young parent of supports and services available to her and her child. Such a requirement is an attempt to support young parents who could be served effectively by managers and it should be replicated in other states.

Health Services for Medicaid-Eligible Teens Under the Early and Periodic Screening, Diagnosis, and Treatment Program

In general, few states have fulfilled their responsibilities or used their options to meet the health needs of poor adolescents through the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program. EPSDT is a unique component of the Medicaid program that requires states to provide comprehensive and periodic health assessments and appropriate diagnostic and treatment services as follow-up. States establish schedules for health assessments and may, at their discretion, furnish special diagnostic and treatment services to children participating in the EPSDT program that are not otherwise available to Medicaid-eligible persons.

EPSDT has been shown not only to be effective but to be cost-effective. Through preventive visits and screenings the program can detect and treat conditions before they worsen and reduce the need for high-cost hospital stays and other intensive services. The number of preventive visits is a key factor in saving money: participants with more frequent screenings throughout childhood tend to have fewer problems that require costly treatment.

A state can and should choose, therefore, to serve adolescents better by making improvements in the EPSDT program. There are a variety of ways to enhance the delivery of health services to teens through EPSDT, including: revising the often inadequate schedule of periodic health assessments to meet, at a minimum, the American Academy of Pediatrics standards and to allow as many medical exams as necessary; providing extensive outreach and case-management services to eligible teens through schools and other locations; devising written protocols for adolescents that include appropriate services for sexually active teens, such as sexually transmitted disease screening and family planning services; devising age-appropriate developmental assessment tools; encouraging those providers who already serve adolescents to participate in the EPSDT program; developing an interagency plan with the state Department of Education to initiate school-based screening programs; and covering the cost of as many pregnancy exams as are needed by a pregnant teen.

Comprehensive Health Clinics for Adolescents and Extension of Medicaid Eligibility

The special health and related problems that teenagers face make it particularly important that they have access to health care providers who are committed and trained to serve them. Poor children in general tend to be low utilizers of health care, but teenagers' lack of utilization of health services is particularly alarming. Children between the ages of eleven and twenty are less likely to see a physician during a year than any other portion of the U.S. population.

Adolescents are confronted by some of the most serious health risks that children face. Like all children, they suffer frequently from acute health problems such as tonsillitis, ear infections, and strep. And, like other children, most adolescents have a need for health care for one or more chronic conditions such as vision or hearing loss or dental problems. But because of the dramatic growth and developmental changes adolescents go through, they also have unique needs for care related to reproductive, emotional, and developmental changes. Thus, it is essential that teens have access to health care providers that are affordable, accessible, and particularly skilled at delivering quality comprehensive care to older children.

The federal, state, and local governments must take the initiative to help fund and foster the development of comprehensive, affordable health clinics for teens, located in and out of schools -- wherever large numbers of young people at risk of pregnancy can be found. Health clinics providing specialized services to teenagers during the past decade have shown remarkable success in identifying previously undisclosed and untreated health problems, assisting children in making the transition into adulthood through counseling, referral, and other supportive services, and dealing with such serious problems as substance abuse and mental health problems. These specialized clinics, by making teens healthier, have shown a measurable impact on absenteeism, have generated feelings of growing self-sufficiency, and ultimately have improved the productivity of their patients. Moreover, the clinics are a key part of a strategy to reduce teen pregnancy. Studies show that through family planning counseling, prescriptions, and follow-up they have been markedly successful in reducing the rate of unintended first and repeat pregnancies.

In addition, states and localities must lower arbitrary and unnecessary barriers to the establishment of such clinics. In planning and coordination efforts, the special needs of adolescents should be taken into consideration. State policies should allow and encourage all appropriate types of health providers to serve adolescents. There should be authorization to practice for pediatric nurse practitioners, and Medicaid reimbursement should be provided to clinics serving teens for a broad range of health services.

All states should assure that poor teens in need of care receive it by using the state option to extend Medicaid coverage to all poor children ages five to eighteen years old, regardless of family makeup. The federal government should mandate coverage of teens (and other children older than five) in indigent two-parent families, just as it now has mandated coverage for such children from birth to age five.

Improvements in AFDC To Assist Teens and Encourage Family Formation

Teens need to stay in school and to participate in various employment and training programs if they are to be adequately prepared to become self-sufficient adults. Giving them the realization that they can finish school or training as a route to decent employment is a key form of primary prevention. Prior to 1981 more than two-thirds of the states provided AFDC coverage to students up to age twenty-one. Yet in 1981 the federal government cut back its support to states for older teens in AFDC families, thereby discouraging poor youths from staying at home to complete high school or equivalent vocational training programs. States now receive federal funds for AFDC coverage for teens only to their eighteenth birthday, and, at their option, if they extend coverage to age nineteen only under very narrow circumstances (if the child is a full-time student in a secondary school or the equivalent level of vocational or technical training and may reasonably be expected to complete the school or training program by age nineteen).

Poor children, many of whom receive AFDC, and who on the average take longer to complete school than their more affluent peers, are particularly disadvantaged by such restrictions. One out of four seventeen-year-olds from poor families is enrolled in grade ten or below, compared to one out of ten children from non-poor families. Because of the AFDC cut-off, poor youths may be forced to drop out of school at age eighteen to seek jobs, only to find that no jobs are available for those without education or skills. Federal law should be changed to encourage poor teens to complete their education or to learn marketable skills in vocational programs, by requiring states to continue AFDC benefits to youths through age twenty provided they are living at home and enrolled in high school or employment training programs. If federal law is not altered, states should use their own funds to make this investment to strengthen their economies in the long term by producing better-educated and better-trained workers, some of whom will defer parenthood if this hopeful option is given.

A second initiative involves the extension of minimal AFDC support and medical care to poor children in two-parent unemployed families. Currently, 25 states refuse to provide Aid to Families With Dependent Children with Unemployed Parents (AFDC-UP), the program for families where both parents are present, no matter how poor they are.

The failure to cover two-parent families has two consequences. First, when the parents are very poor and have no alternatives, the state creates an incentive to break up the family (or, in the case of children born out of wedlock, not to form a family), since the presence of both parents ends AFDC eligibility. This is as true for teen parents as for adults. Data from states that have discontinued AFDC-UP programs indicate a higher percentage of family dissolution than what would have been expected if the AFDC-UP program had been continued. For example, Washington state discontinued its AFDC-UP program in February 1981. In the next seventeen months, 38.2 percent of former AFDC-UP families became eligible for regular AFDC benefits, in most instances because there were no longer two parents in the home. This was triple the rate that became eligible for regular AFDC when the AFDC-UP program was still operational. In Iowa and Oregon there were similar results. (Indeed, in all three states the pattern of family break-up was an important factor in subsequently getting the AFDC-UP program restored.) Although no one has measured the negative impact on the initial formation of families, there is no reason to believe that there isn't a similar negative effect.

The second consequence of denying AFDC-UP is the denial of basic income supports and health care that are essential if the children involved are to grow and develop into self-sufficient teens and adults, and if the parents are to get services that will help them become self-sufficient.

The federal government should require all states to extend benefits under the AFDC-UP program to eligible two-parent families -- those in which the principal earner is unemployed or works fewer than 100 hours a month and the family's income is low enough to qualify for AFDC. Such coverage also would give these families Medicaid. In the absence of a federal mandate, states that have not chosen the AFDC-UP option should do so.

In addition, certain improvements in AFDC-UP rules are necessary so that teen parents can gain access to the program's benefits and the encouragement to form intact families. The requirement in the AFDC-UP Program that the principal wage earner meet an earnings-history requirement is particularly likely to exclude young two-parent families. It would exclude, for example, seventeen- through twenty-year-olds who, because they have been in school or because of high youth unemployment rates, have not been in the labor force for the requisite six out of thirteen previous calendar quarters. To assist these young families to form and to stay together and receive supports as they try to become self-sufficient, the federal law must be changed to allow young parents to substitute quarters in school or employment training programs for the six quarters of earnings now required.

Child Care Services for the Children of Teen Parents

Each year, teenagers give birth to more than 500,000 infants. About 300,000 of these young mothers have not completed high school. Without education or training they usually face the prospect of low-paying jobs at best and welfare at worst. Women who drop out of high school, have no previous work experience, and become heads of families by having children without getting married are more likely to be dependent on welfare for the long term. Pregnancy is the largest single reason for girls dropping out of school.

The lack of child care may be the most critical factor keeping teen mothers from returning to school. A 1978 nationwide study of 125 large cities identified the most significant unmet needs for teenage mothers and their babies as facilities, funds, and staff to provide infant care. The growing number of adult mothers who are now in the labor force and have very young children compounds the overall demand for infant care, further exacerbating the dearth of such services for teen parents.

Historically, if school systems responded to this problem at all, it was through special alternative schools designed to isolate the pregnant teenager and teach parenting skills. Even now, schools that offer child care programs often limit services to the duration of the school semester after birth, leaving young mothers to cope with the difficult problem of finding child care, without resources to pay for it, after a few short months.

To remedy these problems, state legislation authorizing effective child care programs for young mothers should support programs located in or within easy access to high schools.

Policymakers must recognize the difficulty of finding affordable child care and structure programs to meet the needs of a teen parent at least until her infant is past the toddler stage and she finishes high school. Parent education and counseling available to the general student body is another essential element of such a program. Such education can help a young mother understand the basics of child rearing, and impress upon other students the serious nature of parenthood. Federal, state, and local funds should support these child care services for teen parents.

Assistance to Adolescents in Out-of-Home Care

Youths living away from their families as runaways, in foster care, or in the juvenile justice system have been forgotten in many efforts to prevent adolescent pregnancy, yet they represent an especially vulnerable group and one at high risk of becoming parents too soon. Many of them have been abused or neglected, or are burdened with serious emotional problems. They require special help to cope with these special needs, to get the information and assistance they need to delay parenthood, and to prepare to become self-sufficient adults.

Adolescents today represent about 40 percent of the approximately 300,000 children in foster care under the responsibility of state and local child welfare agencies. The 1.5 million young people, mostly teens, who run away each year (many for a night or two but others for much longer) also need help with what it is they're running from -- often physical or sexual abuse. Youths in the juvenile justice system have multiple problems and need help to avoid early parenting.

Federal, state, and local governments must provide increased support for the tens of thousands of teens in foster care who are preparing for the transition to independent living. Too often, these teens have gone unprepared and see all assistance terminated the day they reach the age of eighteen. But they need extra support if they are going to be able to live independently and become self-sufficient adults upon leaving care. States must target adolescent pregnancy prevention resources on these teens and others living apart from their families. States must use existing and new funds to support providers of services to these high-risk populations in developing sexuality curricula and providing training for agency staff and others caring for the teens. Parenting education classes for the teens also should be developed. The state should hire an adolescent specialist to provide consultation to local staff and providers serving teens who are wards of public agencies. Individualized transitional independent living plans should be developed for the teens, and a continuum of non-residential programs established to provide youths with: educational and vocational training, access to family planning services, training in daily living skills, career planning, budgeting help, assistance in locating and maintaining housing, counseling, and help in obtaining appropriate health services.

Similarly, programs funded under the federal Title XX Social Services Block Grant, the Child Abuse Prevention and Treatment Act, and the Family Violence Prevention and Services Act -- programs that enable public and private social services agencies to meet the needs of adolescents who have been abused as young children or teens -- need increased federal and state support. Increased resources for the Runaway and Homeless Youth Act, the Juvenile Justice and Delinquency Prevention Act, and the Child Adolescent Service System Program would enable the provision of additional resources targeted on services and alternatives to institutional care for troubled adolescents, and better coordination of existing resources for seriously emotionally disturbed adolescents who too frequently fall through the cracks of the various child-serving systems.

Children's Defense Fund

3. A Children's Survival Bill

A Positive Agenda For Children

A Preface

The Children's Survival Bill is a legislative agenda for children, adolescents, and families for the 99th Congress. It is an agenda of governmental investment for human survival and opportunity, as well as for budgetary prudence and strength. The Bill is based on a sound and simple premise: an investment of scarce resources in our nation's children will protect our nation's future.

Children are the country's future workers and taxpayers, its future leaders, artists, teachers, and scientists. Today's children must shoulder the national debt, finance our Social Security system, and lead this country into the twenty-first century. All Americans have a stake in helping healthy and educated children become self-sufficient, creative, and productive adults.

Wise investment in children now is sound national and economic policy in a time of budget crisis. Research proves that children's programs that provide services like prenatal care and immunization save us more money than we spend on them. It costs about $10 dollars to provide a baby with a series of immunizations, compared with hundreds of thousands of dollars for a lifetime of care for a child with severe disabilities caused by preventable sickness. Every dollar spent on comprehensive prenatal care saves more than $3 in health care in the first year of an infant's life alone.

Investment in children is an intergenerational compact that protects our future security. Children need help during the 18 years it takes them to reach adulthood. But today's adults will later turn to these children for support during their retirement years. In the future, there will be more elderly people for the nation's economy to support. To protect ourselves in our old age, we must see to it that today's and tomorrow's children grow into productive and compassionate adults, because the security of all of us will come to rest on their shoulders.

But the children of the 1980s are an endangered group. Children are the poorest age group in America. The child poverty rate is at its highest level in 20 years. More than one in five children in this country live in poverty. One in four preschoolers is poor. Black and white, Hispanic and Asian, millions of children are now suffering the range of problems caused by poverty.

Too many children live in single-parent households. If that parent is a mother under the age of 25, it is almost a guarantee of a lifetime in poverty. These children are five times more likely to be poor than those in two-parent families. In 1983, 72 percent of young female-headed white families and 85 percent of young female-headed black families were poor.

Child poverty also is growing because teenage mothers are having children at a rate of half a million a year. More than 50 percent of those young women are single and only half who become mothers before age 18 complete high school, thus adding another turn to the cycle of poverty. Adolescent pregnancy poses a complex problem for the nation and all its communities—black, white, and Hispanic.

Many children are poor even though their parents work, as even full-time employment is no longer a guarantee against poverty. Many other children are poor because their parents are unemployed—still. Despite our economic recovery, there are 5.4 million children with at least one parent unemployed and another 5.4 million children with no parent in the labor force.

But poverty is only one strike against our children's future and our nation's future. Our children are not as healthy as they should be. America ranks seventeenth in the world in keeping infants alive during their first year of life—behind many other industrialized nations. One in three children in America has never seen a dentist.

More children are reported abused each year in state after state. Families are falling apart, while services to help them are being diminished. Some children are being forced into the already overloaded foster care system.

Millions of young children are left alone during the day while parents work at low-paying jobs, because decent child care is either unavailable or unaffordable.

Too few adolescents are acquiring adequate skills for gainful employment. As a result, they are missing the opportunity to contribute to their own and their country's health and prosperity.

In these times of tight budgetary limits, society cannot afford to pay the high costs of waste and neglect. For example, it costs:

- more than $16,000 a year for institutional care for a foster child,
- more than $3,400 a year to retain a child in the same grade, and
- more than $12,000 a year to house an inmate in a state prison.

Society cannot afford these high costs in the best of times, and the federal government most assuredly cannot afford them in the face of the largest budget deficit in history. Shortsighted policies that create crises among the young must not be compounded by budget policies that once again send children to the frontlines of the newest deficit reduction war. The budget cuts in 1981, disproportionately directed at children, were followed by a sharp rise in child poverty and by increasing reports of child abuse, homelessness, hunger, sickness, and despair.

Further budget cuts aimed at children under the new Gramm-Rudman Balanced Budget and Emergency Deficit Control Act would only deepen the crisis. Rather, proven, cost-effective steps must be taken to rescue children from the clutches of poverty. It is time to invest in our youth before they become ill, are left alone, have a baby, or drop out of school. It is time to make the investments that guarantee the self-sufficiency and productivity the nation and the economy require.

The Children's Survival Bill is an important first step toward these goals. It is a sound and balanced deficit reduction package. The Bill invests additional federal resources—about $14 billion—in cost-effective programs known to prevent teen pregnancy, child abuse and neglect, infant mortality and ill health, malnutrition, illiteracy, despair, and welfare dependency. The Bill proposes to offset these costs and yield a net of more than $40 billion in deficit reduction by eliminating tax loopholes now sheltering wealthy corporations and individuals by imposing needed taxes on luxury items, and by recouping just a portion in the billions of unused and unspent funds in the Defense Department. There are, of course, a number of additional revenue proposals and military savings that could be substituted to generate comparable funds to reduce the deficit and invest in children.

The first Children's Survival Bill was introduced in the 98th Congress by Sen. Christopher Dodd (D-Conn.) and Rep. Geraldine Ferraro (D-N.Y.), along with close to 100 congressional cosponsors from both parties. The Bill served as a focal point for national concern about the plight of our nation's children. It proposed modest funding restorations in many of the programs for children and families severely cut back in 1981 and 1982. Many of the proposals were then adopted by Congress. After a total of $10 billion had been cut from programs for children and families in 1981 and 1982, Congress began to recognize the harm caused. Budget cuts aimed at the vulnerable were halted and more than $1 billion was added back in 1983 and another $1 billion in 1984. That is a start, but we have a long way to go to repair the damage and to move more children out of poverty. Gramm-Rudman, however, poses a serious threat to progress.

In 1985, a new Children's Survival Bill was introduced by Sen. Dodd and Rep. George Miller (D-Calif.).

The two identical bills, S. 1237 and H.R. 3114, again call for funds to be invested in sound, proven current programs for children, such as:

- Head Start—a motivating program for young children that has a 15-year track record of success. For every $1 invested in Head Start, $7 are returned in reduced public expenditures and increased public receipts. Head Start children are less likely to end up pregnant as teens or on welfare, and more likely to enter vocational school, college, or the workforce.
- Maternal and child health programs—programs that are especially cost effective. Every dollar spent on comprehensive prenatal care saves more than $3 in the first year of an infant's life alone because of reduced need for hospital care.
- WIC—the Supplemental Food Program for Women, Infants, and Children, which study after study has found a success. A $35-a-month WIC nutritional package for an infant can save far more than the $1,400 a week it costs to hospitalize an infant for treatment of malnutrition.
- Chapter 1—the Compensatory Education for Disadvantaged Children program has a history of teaching young children to read and compute at a cost of approximately $625 per year compared to the more than $3,400 cost of keeping a child back to repeat a grade. Currently, nearly 10 million children repeat at least one grade during the course of their education.

The Bill also proposes modest investments in creative new endeavors similarly premised on prevention: a drop-out prevention program to explore successful approaches to keeping adolescents—especially teenage mothers—in school, small grants to encourage states to improve the monitoring and supervision of child care facilities in order to improve the quality of care and prevent abuse or neglect of children, and incentives to maximize child care resources by greater cooperation with elementary and secondary schools.

Importantly, the Children's Survival Bill also addresses the alarming problem of children having children—adolescent pregnancy. This complicated problem requires multiple strategies. First, the initial pregnancy must be prevented, and second, it is critical to ensure that teens who have already had one child do not have a second. The third goal is to make sure that teenage mothers receive adequate prenatal care so that prematurity, low birthweight, or birth defects are not added to their babies' already stacked decks. Such elements as health and family planning efforts, job training and youth employment, and schooling and child care are essential to these goals and are woven throughout the Children's Survival Bill. National priority also is placed on investments in demonstration projects that are based on promising approaches to preventing adolescent pregnancy.

Among those the Bill proposes a modest but important federal investment in Comprehensive Health Clinics for School-Aged Children. Health professionals report finding health problems in as many as 80 to 90 percent of the school children they see. Child health clinics, already tested in a number of schools and communities across the country, have shown especially positive results. A child suffering from preventable and treatable medical problems cannot do well or grow into a productive adult.

The Children's Survival Bill also addresses another major national problem facing families: the unfair tax burden on low-income working families with children. Federal taxes on working families in poverty have skyrocketed in recent years, while they have declined for all other income groups. In the context of the current national discussion of tax reform, this year's Children's Survival Bill sets forth a tax agenda designed to ensure tax fairness and relief for poverty-level working families with children.

A section-by-section summary of the new Children's Survival Bill follows. Title I, "Essential Preventive Programs for Children," makes positive investments in children, adolescents, and their families.

- Section 1 helps keep families together through investments in federal programs for troubled children and families.
- Section 2 provides low-income families with affordable, quality child care so that children are not left alone or under inadequate care while their parents work or go to school.
- Section 3 ensures mothers and children access to prenatal care and health services in order to prevent infant mortality, birth defects, and costly childhood sickness and disease.
- Section 4 helps children and adolescents gain the education and skills they need for self-sufficiency in adulthood.
- Section 5 provides children and families with more adequate food and nutrition.
- Section 6 assists children and families most in need with a minimal level of support and opportunity for self-sufficiency.
- Section 7 brings tax fairness to working families in poverty, especially large and single-parent families.
- Section 8 helps adolescents and young adults gain job training and employment at wages that allow for self-sufficiency.

Title II of the Children's Survival Bill, "Reform and Elimination of Tax Subsidies and Defense Spending," includes a range of tax proposals, many of which were endorsed by the U.S. Department of Treasury, designed to produce additional federal revenue for investment in children and for deficit reduction.

The Children's Survival Bill has been referred to many different committees of Congress. Because the Survival Bill is an omnibus piece of legislation, much like the Economic Equity Act for Women, Congress will not consider, nor vote upon, the bill in its entirety. Support for the Children's Survival bill and its various provisions helps to ensure support for positive investment in children.

For more information, contact Mary Bourdette or the following CDF staff members on particular sections: Title I: Section 1, MaryLee Allen; Section 2, Helen Blank; Section 3, Sara Rosenbaum; Section 4, Cliff Johnson; Section 5, Helen Blank; Section 6, MaryLee Allen; Section 7, Mary Bourdette; Section 8, Cliff Johnson; Title II: Paul Smith.

SECTION-BY-SECTION SUMMARY

Title I: Essential Preventive Programs for Children

Section 1: Troubled Children and Families: Child abuse, neglect, emotional disturbance, running away, and many other special problems of children often are associated with troubled families. Services known to prevent and treat these problems of children and adolescents are available for only a fraction of the children in need. The proposals in this section seek to build upon successful federal programs for children with special needs.

(a) Child Abuse and Family Violence: Assists the more than 1.7 million children reported as victims of abuse and neglect by appropriating $41.5 million (an increase of $15.5 million) for the Child Abuse Prevention and Treatment Program. In addition, it provides shelter and related services to victims of family violence and their children by appropriating $26 million for the Family Violence Prevention and Services Program.

(b) Child Welfare Services: Strengthens services for abused and neglected children by appropriating $266 million (an increase of $59 million) for the Title IV-B Child Welfare Services Program and by extending state authority to utilize unused foster care funds for services for children at risk of placement or in care.

(c) Social Services Title XX: Helps troubled families with children through crisis assistance, child care, and special support services by providing $3.65 billion (an increase of $950 million) for the Social Services Block Grant (Title XX) so that all states, particularly the 45 that have experienced increased reports of child abuse and neglect, may respond with appropriate protective services. States would be required to match federal funds at a 25/75 rate and the increased service funds would be divided equally between child care and other social services.

(d) Foster Care: Extends support and protections to children in the federal foster care program, especially older adolescents up to age 21 who are still in school or job training, and those in supervised independent living programs, and makes permanent the protections for youth placed in foster care voluntarily by their parents. Also establishes a grant program for older youths in foster care to assist them in their transition to independent living.

(e) Runaway and Homeless Youth: Helps the approximately 1.5 million children who are runaways or homeless by appropriating $50 million (an increase of $26.7 million) for the Runaway and Homeless Youth Program. Currently less than 20 percent of those youngsters are served by federally funded shelters.

(f) Juvenile Justice and Delinquency Prevention: Assists states to meet the needs of youth in the juvenile justice system by appropriating $100 million (an increase of $30 million) for the Juvenile Justice and Delinquency Prevention Program.

(g) Child and Adolescent Mental Health: Helps seriously emotionally disturbed children and adolescents whose needs often fall through bureaucratic cracks by encouraging states to improve coordination among the child welfare, juvenile justice, mental health, and special education systems. Increases to $10 million the appropriation for the Child and Adolescent Service System Program, funded as part of the adult Community Support Program. Also establishes a set-aside in the Alcohol, Drug Abuse and Mental Health Block Grant for new mental health services for severely disturbed children and adolescents.

Section 2: Child Care: Child care is essential if women are to work to support their families and children are to receive supervision and care. Yet a national crisis has developed as the supply of decent, affordable child care lags far behind the demand, so much so that as many as 6 to 7 million children may be left alone while their parents work, and many women must depend on welfare simply because affordable child care is unavailable. This section contains a number of creative approaches for expanding the availability of child care affordable to low-income parents and for improving the quality of care for children.

(a) Expand Child Care Availability: The following proposals offer a range of options to expand the availability of child care for low-income families.

(1) Head Start: Reauthorizes the Head Start program for five years, with a $200 million funding increase each year. This would provide more than 80,000 additional children a head start each year, allowing the program to serve a growing proportion of eligible children. Currently Head Start serves only 18 percent of eligible children.

(2) Social Services Title XX: Ensures child care for approximately 200,000 additional low-income children by providing $3.65 billion (an increase of $950 million) for the Social Services Block Grant, Title XX. Requires states to match federal funds at a 25/75 ratio, and reserves half the increased services funds for child care.

(3) Dependent Care Tax Credit: See Section 7(d).

(4) Child Care in Schools: Assists schools in providing child care and early childhood education for four- and five-year-olds by appropriating $50 million for a competitive grant demonstration program with preference to schools serving low-income children under a new Chapter III of the Education Consolidation and Improvement Act. Requires state or local matching funds and sliding fee scales, age-appropriate curricula, appropriate state or federal standards, parent involvement, and staff experiences with young children.

(5) Child Care for Adolescent Mothers: Authorizes $100 million to assist local education agencies operate or contract with child care organizations to provide child care for the children of adolescent parents in or within easy access to high schools, assuring that services will be available to such children through the toddler stage and that parenting education and counseling will be available to the parents as well as other students.

(6) Child Care for Disadvantaged College Students: See Section 4(d) (1-3).

(7) Child Care in Public Housing: Helps public housing agencies provide child care by targeting $15 million for contracts with community-based nonprofit child care agencies.

(8) Child Care Expenses for Aid to Families with Dependent Children (AFDC) Recipients: Helps enable AFDC recipients to work by altering the order of the eligibility computation so that child care costs are disregarded last when calculating AFDC eligibility and benefits, at a cost of $25 million. This will eliminate the current inequity between working AFDC recipients who receive subsidized child care and those who rely on the AFDC child care disregard for their child care expenses.

(9) School-Age Programs/Resource and Referral: Helps families locate appropriate child care and expands community child care resources by reauthorizing State Grants for Dependent Care Planning and Development to provide funds for start-up and operating costs for resource and referral programs and for school-aged child care programs.

(b) Improve Child Care: The following provisions will improve the quality of child care services, a need highlighted by reports of abuses in day care centers.

(1) Standards: Improves and increases licensing and monitoring of child care services by providing states with $50 million in incentive grants to bring federally funded child care into compliance with, at a minimum, the Health, Education and Welfare Day Care Requirements of 1980.

(2) Training: Improves training of child care and other human service workers by allocating $100 million of the Title XX increase for this purpose, with a requirement that $10 million be directed to community-based nonprofit agencies for support of family day care homes. See Section 2(a) (2).

(3) Child Development Associate Scholarships: Further improves the quality of child care staff by providing $1.5 million, divided among the states, to support scholarships for individuals seeking a Child Development Associate credential.

(4) Child Care Food: See Section 5(a).

Section 3: Health: Basic medical care is necessary for survival and development, and also is cost effective. Yet thousands of pregnant women and children are not receiving the prenatal and preventive health services known to reduce infant mortality, birth defects, childhood diseases, and other costly complications of neglect. The following proposals build upon effective federal health programs so that lives and dollars can be saved.

(a) Maternal and Child Health Block Grant: Ensures basic prenatal care, checkups, immunizations and other essential health services to additional low-income mothers and children by providing $529 million (an increase of $51 million) to the Maternal and Child Health Block Grant.

(b) Community Health Centers: Provides comprehensive health services to low-income families through the Community Health Centers program. Studies show that comprehensive health clinics deliver high quality care that can reduce hospitalization rates between 25 and 40 percent. Provides $440 million (an increase of $40 million) for FY 1987 by reauthorizing the program and repealing the Primary Care Block Grant Program.

(c) Family Planning: Provides essential, cost-effective health, family planning, and education services to more than 1 million young women and mothers by reauthorizing the program for three years and appropriating $185 million (an increase of $42.5 million) for family planning services for FY 1987. Studies show this program yields savings of $1.80 for every $1 invested.

(d) Immunization: Ensures all children age-appropriate immunizations against polio, diphtheria, measles, tetanus, whooping cough, and mumps by providing sufficient federal funding for this effort. Over 2 million *fewer* children are now receiving immunizations than in 1981: less than half of black preschool children are immunized against diphtheria-tetanus-pertussis and only 39 percent against polio. A Centers for Disease Control study indicates that for every dollar spent on measles vaccinations, about $10 was saved in medical care and long-term care by reducing the incidence of deafness, retardation, and other problems.

(e) Migrant Health Centers: Assures additional migrant families basic health care by providing $55 million (an increase of $9.6 million) for migrant health centers.

(f) Medicaid: Medicaid is the most important public health program in the country, and yet it reaches fewer than half of all poor children and their families. The following proposals seek to improve the Medicaid program to ensure preventive health and other medical services especially critical to pregnant women and poor children.

(1) Pregnant Women and Children: Extends medical assistance over a two-year phase-in period to all pregnant women and children living below the federal poverty level. Coverage would be extended to children less than six years old and all pregnant women in FY 1987 at a cost of $550 million, with coverage extended to children less than 18 years old in FY 1988.

(2) Prenatal Services: Requires states to provide pregnant women with all medically necessary prenatal, delivery, and postpartum services, regardless of whether such services are provided to the general Medicaid population, and without "amount, duration or scope" limitations on coverage of such services other than medical necessity. Includes outreach and health education activities. Women who receive no prenatal care are three times more likely to have low birthweight babies, whereas every dollar spent on comprehensive prenatal care saves $3 in the first year alone of infant life. The estimated cost for increased care is $137.5 million.

(3) Pregnant Adolescents: Avoids the denial of Medicaid coverage to pregnant adolescents whose parents do not or cannot provide them with adequate medical care by prohibiting states from deeming income from parents to minor pregnant adolescents. Teen mothers account for about one out of every eight low birthweight babies—a tragic and costly risk that can be reduced significantly by prenatal care.

(4) Medically Needy Pregnant Women and Children: Improves coordination of health services for poor women and children by requiring states to treat, as an incurred medical expense, the cost of services furnished to medically needy pregnant women and children by public clinics funded under Title V of the Social Security Act, or other federal public health programs, so that they may qualify for Medicaid coverage. This would cost approximately $200 million.

(5) Pediatric Care: Requires states to provide children with all medically necessary pediatric care, without "amount, duration and scope" limitations other than medical necessity. Cost: $400 million in FY 1987.

(g) Comprehensive Health Clinics for School-Aged Children: Authorizes an additional $50 million under the Title V Maternal and Child Health Block Grant to fund the development of comprehensive child health projects in communities with large concentrations of low-income and medically underserved children. Studies show that as many as 80 percent of low-income school-aged children have one or more uncorrected health problem that can lead to permanent impairment and school drop-out.

(h) Special Supplemental Food Program for Women, Infants and Children (WIC): Ensures supplemental food to approximately 3.5 million low-income pregnant women, infants and children at nutritional risk—about 50 percent of those eligible—by providing $1.8 billion (an increase of $240 million) for the highly successful WIC program in FY 1987, and by providing $2 billion for the program in FY 1988. Provision also would reauthorize the WIC program for two years.

Section 4: Education: An adequate and effective education is necessary for the development of skilled, trained, and productive young adults who will contribute to the nation. This section contains a range of education proposals designed to help children, including those with special needs, and adolescents at risk of pregnancy and those who are adolescent parents, attain self-sufficiency. The proposals include federal programs with long track records of success and promising new demonstration efforts aimed at preventing pregnancy and other factors that cause youth to drop out of school.

(a) Successful Federal Programs: The following proposals expand existing cost-effective federal education programs.

(1) Education of Disadvantaged Children: Provides an additional 400,000 educationally disadvantaged children with the effective services of Chapter I of the Education Consolidation and Improvement Act, by appropriating $4.1 billion (an increase of $400 million) for FY 1987. A portion of the new funds would be channeled to middle schools for programs serving 10- to 14-year-olds.

(2) Bilingual Education: Provides an additional 55,000 students with bilingual education services, by appropriating $230 million (an increase of $91 million).

(3) Desegregation Assistance: Improves and expands the magnet schools assistance act by providing $150 million (an increase of $75 million).

(4) Handicapped Education: Assists school districts in providing appropriate education for handicapped children by providing $1.5 billion (an increase of $100 million).

(b) Early Childhood: The following proposals represent modest investments in the early education of at-risk children.

(1) School-Based Early Childhood Education: See Section 2(a) (4).

(2) Early Childhood Education Incentive Grants: Encourages school districts to provide supplemental educational services for educationally disadvantaged four- and five-year-olds by providing $100 million in grants under Chapter I of the Education Consolidation and Improvement Act.

(c) Adolescents: The following initiatives provide small investments in creative new school-based efforts to prevent adolescent pregnancy and school dropouts, and to encourage troubled adolescents to return to school.

(1) Dropout Prevention and Recovery Act: Addresses the problem of school drop-outs by providing $50 million for a new effort to gather uniform, nationwide information and to develop and fund demonstration projects aimed at keeping potential dropouts in school and returning others back to school.

(2) School-Based Student Enterprises: Broadens students' vocational experiences and improves academic skills by providing $10 million for school-based student enterprise projects.

(3) Effective Schools Development Act: Encourages and supports creative school-based projects of demonstrated success in improving the education offered to students by providing $100 million.

(4) University-High School Partnerships: Improves preparation of disadvantaged students for postsecondary education or employment through partnerships among universities, high schools, community-based organizations, and businesses, with funding at $20 million.

(5) Community Learning Centers: Authorizes and funds the establishment of community learning centers for adolescents that link remedial education activities with diverse recreational, social, after-school, and vocational training programs. Grants would be directed to community-based organizations and youth-serving agencies with demonstrated capacity to reach poor and minority teenagers in out-of-school settings, including public housing sites. Emphasis would be placed on the development of basic skills.

(d) Higher Education: The following changes in the Higher Education Act increase the availability of child care for low-income college students.

(1) Child Care Services: Makes child care services available to low-income first generation college students by providing $15 million for this purpose.

(2) Child Care Work Experience Programs: Increases the availability of child care services by providing $10 million for work experience in this area.

(3) College-Based Child Care: Expands the supply of child care facilities by providing $50 million for construction, reconstruction, and renovation of facilities on college campuses.

Section 5: Child Nutrition and Food Stamps: All children need adequate nutrition to grow up healthy and without developmental problems. Yet every night too many of America's children go to bed hungry. This section improves and expands existing food programs to provide children and families nutritional assistance. Several of the provisions were recommended by the Presidential Task Force on Food Assistance.

(a) School Food and Other Child Nutrition Programs: Provides more adequate food and nutrition for children by improving reimbursement levels for the School Breakfast and Child Care Food programs and making other improvements in the School Lunch and Special Milk program. Reauthorizes the Summer Food, Nutrition, Education, and Training—Section XIV—of the National School Lunch Program and the State Administrative Expense Program with technical changes. The improvements would cost approximately $60 million.

(b) Food Stamps—Benefit Levels Adjustment: Ensures needy families food assistance benefits based on the projected average costs of the Thrifty Food Plan for each fiscal year. The Thrifty Food Plan is the minimal food plan devised by the U.S. Department of Agriculture, but the benefit falls below the cost of the plan because of unnecessary time lag in benefit adjustment. This provision will assure more adequate food assistance at a cost of $500 to $600 million.

(c) Food Stamps—Reinstate Outreach Program: Informs eligible families of the rules, requirements, and application procedures for food stamps by reinstating the outreach component abolished in 1981. Many of the neediest families remain outside the Food Stamp Program because they do not understand eligibility requirements. The cost of this provision is $5 to $10 million.

(d) Food Stamps—Child Support Disregard: Helps needy families by extending the $50 AFDC Child Support disregard to food stamps. This provision, which facilitates uniform program administration, also makes the child support enforcement provisions in the 1985 farm bill more effective. The estimated cost is $50 million.

Section 6: Family Support: AFDC—Aid to Families with Dependent Children—is the program of last resort for millions of women and children in poverty. It is a frayed lifeline, however, barely providing for necessities and serving less than half the children in poverty. This section proposes to increase the support available to those most in need and to assist families to become more self-sufficient.

(a) Increase Support for Needy Families: The average support for each child on AFDC is $3.87 per day. This is a meager amount that must cover all shelter, clothing, and other necessities, and is an amount that actually has decreased in value in recent years. The following provisions propose a gradual step-by-step movement toward a minimum national benefit level for AFDC families.

(1) State Incentives to Increase Benefits: Helps families in need by encouraging states to maintain the purchasing power of AFDC benefits against inflation by offering a higher federal matching rate to states that increase benefits. This would reward states that have increased benefits and encourage other states to do so at a cost of approximately $300 million.

(2) State Standards of Need Adjustment: Requires states, by October 1, 1988, to adjust their state needs standards to fully reflect changes in living costs over the last 20 years. The standard is a state figure that purports to represent, but rarely does, the amount of money families need for reasonable subsistence. It is used for various AFDC eligibility computations. Congress last required an adjustment in 1969, and few states have since adjusted their standard commensurate with inflation.

(3) National Minimum Benefit: Helps children in eligible poor families by ensuring them, effective October 1, 1989, support—AFDC and Food Stamps—at least equal to 75 percent of the federal poverty level. States would then be encouraged to continue to raise benefits. The minimum benefit would increase AFDC levels for a family of three in 41 states and affect 60 percent of the children currently receiving AFDC.

(b) Improve Work Incentives: The following provisions would assist families struggling to become self-sufficient while working at very low wages to support their families.

(1) Education and Training Program for Pregnant Women and Mothers with Young Children: Encourages comprehensive education, training, and employment programs for pregnant women and mothers with children less than six years old on AFDC by providing grants to states for the development of programs in which eligible mothers may participate voluntarily. The programs will be designed to meet the individual needs of participants, and include a range of support services, like child care, at an estimated cost of $400 million.

(2) Tax Credit Exemption: Provides work incentives for AFDC recipients by requiring states to disregard the Earned Income Tax Credit (EITC) refund from countable income in determining eligibility and benefit levels. The EITC is designed specifically to help low-income working families, but the current policy of treating it as income for AFDC purposes is counterproductive and creates an inequity between AFDC working families and other poor working families. The estimated cost of this provision is $50 million.

(3) Child Care Funds: See Section 2(a) (8).

(4) Eliminate Time Limit on Work Incentives: Allows AFDC recipients with very low-paying jobs to supplement their income with a partial AFDC grant for the full duration of their employment, rather than limiting work incentives as is now the case. This will cost approximately $300 million.

(c) Extending Aid to Adolescents and Others with Special Needs: The following provisions recognize the special help adolescents, including teen parents, need in order to support themselves and their families.

(1) Eliminate Provisions that Penalize Families Where Minor Parents Reside with Their Parents: Encourages family stability by repealing the provision that requires the deeming of a grandparent's income to a grandchild for purposes of AFDC eligibility and benefit levels even when the grandparent is not contributing to the child's support. Also repeals a provision that requires the inclusion of all parents and minor siblings, except step-siblings and Supplemental Security Income (SSI) recipients, in the AFDC unit. These provisions are particularly detrimental to adolescent mothers attempting to provide adequate care for their young children by residing with parents or other family members, and their elimination will cost approximately $140 million.

(2) Aid for High School and Vocational School Students 18 and Older: Encourages graduation from high school and vocational school by requiring states to continue AFDC benefits to children in school through age 20. This will allow many low-income disadvantaged students to complete their education, at a cost of approximately $160 million.

(3) Aid for Pregnant Women: Encourages infant health by requiring states to provide AFDC to pregnant women with no other children from the point the pregnancy is medically verified, rather than allowing coverage only from the sixth month. This will make prenatal care more likely and help ensure adequate nutrition and shelter during the pregnancy, at a cost of approximately $30 million.

(d) Families: The following provisions require that all states implement the AFDC-Unemployed Parent Program and take steps to minimize the negative impact of AFDC requirements for children living with stepparents.

(1) Coverage of Families Under the AFDC-Unemployed Parent Program: Helps children in needy families where both parents are unemployed by requiring states to provide assistance, with a state option for revising categorical restrictions that limit coverage. This will help families stay together and ensure family stability at an estimated cost of approximately $200 million in FY 1987.

(2) Fairer Treatment of Stepparents: Conforms treatment of stepparent income in determining AFDC eligibility and benefit levels more closely to that of other AFDC family members. Currently some of a stepparent's income must be deemed available to the AFDC unit with which he is residing regardless of his actual contribution or legal obligation to do so. This provision will increase the amount the stepparent is allowed to disregard for his own support, and allows employed part time—as well as those employed full time—the full $75 work expense deduction applied to other workers in the AFDC unit. The provision is estimated to cost no more than $50 million.

Section 7: Tax Reform: The federal tax system places a large and growing burden on those least able to pay—working families in poverty. Single-parent families and large families are hit hardest as they struggle to support their families on low wages. This section includes a number of proposals to relieve the federal tax burden on low-income working families and bring greater fairness and equity to the federal tax system.

(a) Tax Relief for Working Families: Provides tax assistance to low-income working families by expanding and indexing the Earned Income Tax Credit (EITC). Eligibility for the EITC would be extended to families earning up to $16,000 per year, the maximum credit increased to $800, and the EITC indexed to maintain the value of the increase in future years. The provision would cost about $3 billion.

(b) Tax Relief for Working Families with Children: Provides tax relief to families with children by increasing the EITC for eligible families by $100 for each dependent child. The provision also requires states to disregard the EITC refunds from countable income in determining AFDC eligibility and benefit levels. The total cost is approximately $500 million.

(c) Tax Relief for Single-Parent Working Families: Provides tax relief for many female-headed families who pay disproportionately higher taxes than two-parent families of the same size by increasing the zero bracket amount (or standard deduction) for heads of households to the amount allowed for married couples filing jointly. This provision will cost about $1 billion in 1987.

(d) Dependent Care Tax Credit: Helps families with child care expenses by increasing the maximum Dependent Care Tax Credit to 50 percent of expenses and making the credit refundable. This change costs approximately $700 million.

Section 8: Employment and Training: Employment and training are critical incentives for economically disadvantaged youth to avoid early parenthood and to become self-sufficient adults. Yet thousands of young adults, including teens at risk of pregnancy and those with children of their own, do not have adequate skills or training to secure jobs that will allow them to support themselves and their families. This section builds upon prior successes in youth employment programs so that more adolescents and young adults receive the basic training, support services, work experience, and wages necessary for self-sufficiency.

(a) Job Training Partnership Act (JTPA): Assists economically disadvantaged adults and youth to secure training and employment by providing $2.1 billion (an increase of $200 million) for programs under Title II-A of JTPA. This provision also would: require special efforts to recruit youths at risk of adolescent pregnancy, youths from public assistance families, and adolescent parents; increase the funds set aside for child care and transportation services necessary for effective participation; and improve coordination between JTPA programs and other educational programs such as Basic Adult Education and Vocational Education.

(b) Summer Youth Employment Program: Revises existing summer youth employment programs to combine basic academic and remedial education activities with work experience, and appropriates $825 million (an increase of $160 million) for JTPA Title II-B, the Summer Youth Employment Program. Provision also requires each Private Industry Council to contribute a percentage of local funds in order to obtain additional federal funds above the amount available in the preceding fiscal year.

(c) Job Corps: Serves additional disadvantaged youth by providing $800 million (an increase of $160 million) for the Job Corps in FY 1987.

(d) Youth Opportunity Accounts: Establishes a demonstration program for youth opportunity accounts in a limited number of sites. System of youth opportunity accounts would reward achievement (including high school graduation, voluntary community service, and other activities) with credits that entitle individual youth to future education, training, or subsidized work experience.

(e) Minimum Wage Level: Helps low-income working families by increasing the current minimum wage from $3.35 to $4.25 an hour. This change would adjust the minimum wage for inflation since its last increase in January of 1981.

Title II - Reform and Elimination of Tax Subsidies and Defense Spending

This title proposes the elimination of several large tax subsidies that have allowed wealthy individuals and corporations to escape their fair share of federal taxes. For example, 129 major and profitable American corporations paid no federal income taxes in at least one of the four years from 1981 to 1984 and many actually received substantial refunds from the federal government. Many of these tax changes, or variations of them, have been proposed by the U.S. Department of Treasury to ensure a more equitable tax system. Others also have been proposed repeatedly as effective mechanisms for increasing federal revenues. Together with the recoupment of unused funds in the Defense Department, they will contribute more than $58 billion to the federal treasury in the 1987 fiscal year. This is more than enough to finance the preventive investments in children and families proposed in Title I, while reducing the deficit by more than $40 billion as well.

(a) Luxuries: Reinstates the 10 percent excise tax on jewelry, furs, and other luxury items repealed in 1967, contributing $2.5 billion to the federal treasury.

(b) Liquor: Restores the excise tax on alcoholic beverages to the percentage amount levied in 1951. Currently the percentage has dropped by one half, and doubling it contributes $3.8 billion to the federal treasury.

(c) Cigarettes: Doubles the tax on cigarettes from 16 cents to 32 cents per pack. This proposal would help discourage smoking—especially among adolescents and pregnant women—and would contribute about $5 billion to the federal treasury.

(d) Boats: Places a 10 percent excise tax on the sale of all recreational boats and would contribute about $100 million.

(e) Business Meals and Entertainment: Makes no longer deductable the cost of business expense account meals and entertainment and unnecessarily high business travel costs, adding $3 billion to federal revenues. At a time when children and families are giving up meals essential to minimal health and nutrition, fiscal austerity also should extend to business meals and entertainment.

(f) Excessive Write-offs for Corporate Investment: Repeals two of the largest, interrelated tax breaks for corporations—the accelerated cost recovery system and the investment tax credit—and replaces them with depreciation rules that are based on the actual cost to the companies. The U.S. Department of the Treasury recently recommended this change, which will add $18 billion in federal revenues the first year, and additional revenues thereafter.

(g) Oil Extraction Tax Shelter: Repeals the excess percentage depletion and intangible drilling expenses, one of the largest tax shelters for the oil industry. Repeal of this shelter will add $6.8 billion to the federal treasury the first year, with additional revenue in future years.

(h) Capital Gains Tax on Large Estates: Eliminates a tax break for people who inherit large estates—the automatic exemption from capital gains tax on long-term assets—contributing $1 billion to the federal treasury.

(i) Defense Savings: The Pentagon received during the period FY 1982 to FY 1985 at least $18.2 billion more budget authority than it needed for the programs approved by Congress. The money was appropriated first because the Pentagon overestimated inflation, and then always asked for 30 percent more than the inflation estimates. This provision would recover the unnecessary funds from the Pentagon.

4. Gramm-Rudman

"It's a bad idea whose time has come."
--Sen. Warren Rudman (R-NH)

"This proposal was born in frustration and political panic."
--Rep. Leon Panetta (D-CA)

"When logic fails you, you try illogic"
--Rep. Willis Gradison (R-OH)

"It's a suicide pact."
--Sen. Daniel Patrick Moynihan (D-NY)

"What we're doing as politicians is finding a mechanism to do the dirty work for us."
--Rep. Butler Derrick (D-SC)

". . . Gramm-Rudman is posturing at its worst. It is a procedural answer to a substantive problem. But the Senate now has all the procedures it needs to reduce the deficit. What it lacks is the will."
--Sen. Bill Bradley (D-NJ)

The Gramm-Rudman Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) was signed by President Reagan on December 12, 1985, after passing both the Senate and House of Representatives by wide margins. This far-reaching and historic legislation is intended to balance the federal budget by the 1991 fiscal year through substantial reductions in the amount of the annual deficit permitted in each of the next five years. The deficits are to decline to zero by 1991, as follows:

FY 1986	FY 1987	FY 1988
$171.9 billion	$144 billion	$108 billion
FY 1989	FY 1990	FY 1991
$72 billion	$36 billion	$0

Unless Congress and the President agree on an alternative deficit reduction plan through tax and/or budget changes, Gramm-Rudman mandates a deficit reduction process that will once again make large and devastating spending cuts in federal programs vital to America's children and families.

The Gramm-Rudman legislation, named after two of its three Senate co-sponsors -- Senators Phil Gramm (R-TX), Warren Rudman (R-NH), and Ernest Hollings (D-SC) -- took an unusual route through the federal legislative process. Despite its far-reaching implications, Gramm-Rudman was debated and passed without any of the usual prior hearings or analyses by committees of Congress regarding its operation, impact, or consequences. Few members of Congress found the time or opportunity to read the lengthy and complex legislation before it was passed on the floor of the Senate as a rider to the annual legislation extending and raising the federal debt limit. During its rush to passage, Senate Majority leader Robert Dole (R-KS) cynically noted: "The longer something hangs around here, it gets stale. People start reading it."

THE GROWING DEFICITS

Gramm-Rudman's passage was prompted by a surge of concern about the federal budget deficit, which has more than doubled in the past five years. The annual deficit (the amount by which federal spending exceeds federal revenues) has increased from $78.9 billion in FY 1981 to a historic high of more than $200 billion in FY 1986. This huge and growing deficit has been primarily the result of two national policies: enormous military spending increases and substantial reductions in federal taxes. A third component of the deficit problem, the rising interest payments (amounting to $140 billion in

FY 1986) on the mounting national debt, also results in large part from these tax and defense policies.

The federal government currently is spending about $4 for every $3 it takes in. Every day it must borrow more money to pay for skyrocketing defense spending and for the enormous tax subsidies handed over to corporations and wealthy individuals. The United States is now $1.7 trillion in debt. This is a debt of more than $7,000 for every man, woman, and child in the country. Just the interest on the debt in FY 1986 will cost each American an average of $600, or 40 cents of every dollar paid in individual federal income taxes.

The first main cause of the growing deficits has been defense spending. Defense spending went up 45.8 percent after inflation from FY 1979 to FY 1986 (increasing $83.5 billion in 1986 alone), and more large increases are proposed for the future.

- The cumulative funding for the military for the six years FY 1981 through FY 1986 is $1.5 trillion, more than double the defense spending total for the previous six years.
- A larger proportion of the entire federal budget is devoted to military spending each year. The Pentagon's share has grown from about 24 percent of the budget in FY 1981 to more than 29 percent proposed for FY 1987.
- In each of the past five years the military budget's increase alone has exceeded total combined federal spending for two of the largest federal programs for the poor, Food Stamps and Aid to Families with Dependent Children (AFDC).
- Budget increases for the Defense Department have been so large that even the Pentagon has been unable to spend all of this money: the Department's backlog of unspent or unobligated funds was estimated to be $244 billion at the end of FY 1985.

A second primary cause of the recent deficits has been the tax changes made in 1981. The President and Congress cut tax rates, created large new tax loopholes, and expanded existing ones. The largest tax breaks went to corporations and the very wealthy. The lost revenues resulting from this law added massively to the growth of the federal deficit. Tax policy changes made in 1981 and since added $111 billion to the deficit in FY 1985, according to the Congressional Budget Office.

Among the biggest winners from the 1981 tax bill were large and profitable corporations. A Citizens for Tax Justice study found that:

- One hundred twenty-nine of the largest corporations in the country made profits but paid not one dime in federal income taxes or, worse, received tax rebates in at least one of the years from 1981 through 1984.
- During the 1981-1984 period as a whole, fifty highly profitable corporations either paid no federal income taxes or received rebates. Through tax rebates, the federal government in effect paid these companies $2.4 billion, although they had made $56.8 billion in untaxed profits even without this largess.
- Five of the top twelve defense contractors either paid no federal income taxes or received rebates during the 1981-1984 period, despite profits of more than $15 billion.
- The corporate income tax is now more loophole than tax. The estimated cost of corporate tax breaks in FY 1986 amounts to $1.69 in taxes that are not paid for every $1 corporations are expected to pay in federal income taxes.

Some politicians, albeit a dwindling number of them, have tried to blame the deficit on federal programs assisting poor children and families. But the spending patterns for these programs over the past five years clearly contradict this assertion:

- The President and Congress in 1981 and 1982 made changes in programs for low-income children and families that cut spending by more than $10 billion a year.
- The proportion of the federal budget devoted to non-defense discretionary spending has dropped from 24.5 percent in 1980 to 17 percent in 1986, according to the Congressional Budget Office.

National spending and tax policies have put the federal government in the position of far outspending its ability to pay. Continuing record deficits pose a serious threat to the nation, its current taxpayers, and most critically to its future taxpayers -- our children. Our children, who did nothing to create these record deficits, will be the ones to bear the burdens. For it is today's children, including the more than 20 percent who now live in poverty and are getting less and less help from the government, who will have to pay at least the interest, if not the principal, on the more than $1 trillion debt left as the legacy of the Reagan Administration.

Sensible, well-planned deficit reduction is clearly necessary. Yet, President Reagan continues to propose profligate defense budgets, oppose necessary tax increases, and place the entire burden of deficit reduction on domestic programs. Congress has been unable to agree on a plan for reducing the deficit that would attack the deficit's root causes. Instead it has enacted Gramm-Rudman, a law that will provide neither sensible nor well-planned deficit reduction. Rather, Gramm-Rudman is an ill-thought-out response to a real problem, a sign of panic when cooler heads should prevail. The country will benefit if, in an orderly fashion, the deficit is reduced by tens of billions of dollars. But few responsible economists or observers think that the Gramm-Rudman path and the zero deficit result will accomplish anything but mischief at best, and economic disaster at worst.

Congress' enactment of Gramm-Rudman reflects only frustration in dealing with the deficit -- a "Look Ma, no hands" approach to budgeting, according to the chairman of the House Budget Committee, Representative William Gray (D-PA). It is an ominous -- and, to be hoped, temporary -- sign of congressional resignation, failure, and abdication of responsibility.

HOW GRAMM-RUDMAN WORKS

The new law establishes two alternative methods to reach its mandated deficit targets: a radically revised congressional budget process and a new "sequestration" process of automatic spending cuts that take effect if the initial budget process fails to meet the deficit targets.

Budget Process

Gramm-Rudman makes major changes in the annual congressional budget process intended to force the required deficit reduction. It considerably accelerates the process at every stage -- submission of the President's budget request, the development and enactment of the congressional budget resolution, and work on reconciliation and appropriation legislation. The new timetable is laid out at the end of this chapter. It also includes numerous enforcement mechanisms that limit congressional authority and ability to act upon legislation that exceeds the deficit limits.

First, Gramm-Rudman requires the President to submit to Congress a budget request that meets the deficit limits the law sets for the fiscal year that begins the following October 1. The President's budget must be submitted in early January, rather than later in the month as under prior law. For FY 1987, however, a delayed submission date of February 5, 1986, was permitted.

As has been traditional practice, the House and Senate Budget Committees are responsible for the development of the concurrent budget resolution, the congressional measure setting the overall budget and spending level for each major category. Under the new law, however, the budget resolution must be consistent with the deficit limits each year. In framing the budget resolution to meet these limits, Congress may adopt a vastly different mix of spending and revenue priorities than the President has proposed.

This single concurrent budget resolution must be completed by April 15, instead of the traditional May 15 deadline. It must contain the instructions to committees necessary to achieve the required savings. Final action on reconciliation legislation that actually makes the changes in programs, taxes, and spending necessary to achieve the savings must be concluded by Congress by June 15. That legislation takes effect if the President signs it.

Gramm-Rudman also requires a speed-up in handling of the thirteen annual appropriation bills. All House action on them must be completed by June 30 or new rules may prevent the House from taking its Fourth of July recess if the deadline is not met.

Other enforcement provisions alter House and Senate rules, primarily to make it easier to obstruct consideration of any budget, reconciliation, authorization, or appropriation legislation that is inconsistent with reaching the Gramm-Rudman deficit targets. For example, they allow a point of order (which cuts off debate and forestalls a vote on legislation) to be raised against any budget resolution with a deficit target larger than that in Gramm-Rudman. In many instances, the new rules increase the votes necessary to waive a point of order.

If the congressional budget process, as revised, produces a budget that meets the deficit limits in Gramm-Rudman, the sequestration process (described below) would be averted. But if it does not, sequestration -- also known as automatic spending reductions -- will be triggered.

THE SEQUESTRATION PROCESS: AUTOMATIC SPENDING REDUCTIONS

Sequestration is a process of automatic, across-the-board spending reductions in virtually all federal programs.

In determining whether to trigger these reductions, the Congressional Budget Office (CBO), the President's Office of Management and Budget (OMB), and the General Accounting Office (GAO) will play key roles, thus assuming major new responsibilities. CBO and OMB each year will jointly estimate the size of the deficit for the upcoming fiscal year, and determine whether it exceeds the specified limit by more than $10 billion. If it does, CBO and OMB must calculate the two uniform percentages (one for defense and the other to be applied to domestic programs) by which affected programs would have to be cut in order to close the gap. This so-called "snapshot" of the federal budget situation must be taken on August 15 of each year. It is then sent to GAO for verification and transmitted to the President and Congress by August 25.

The President is required to issue an emergency sequestration order if CBO, OMB, and GAO predict a deficit in the upcoming fiscal year that exceeds the Gramm-Rudman limit by more than $10 billion and Congress and the President have not enacted an alternative deficit reduction plan to meet the limit. The sequestration order must be issued on September 1, to take effect in final form on October 15.

The sequestration order automatically reduces spending in all federal programs -- with certain important exceptions. Half of the total dollar spending reductions must come from defense and half from non-defense spending. In each of these areas, all affected programs will be cut across-the-board by a uniform percentage. For example, if the FY 1987 deficit projected in August 1986 is $200 billion, half of the $56 billion required to reduce the deficit to the $144 billion limit must come from defense programs and the other half from the affected non-defense domestic programs. Each $28 billion is then applied against the total spending in each category to derive the percentage reduction. All affected programs in the category will be cut by this uniform percentage.

With regard to any given program, the federal agency responsible for its administration will have broad discretion for implementing these automatic spending reductions, with some important restrictions. First, the across-the-board spending reductions must be applied uniformly to each affected program, project, or activity that is specified in the annual appropriation legislation. Further, the agency may not use the sequestration process to eliminate completely a program, project, or activity, nor to change program priorities that are mandated by statute. In addition, no person currently eligible for benefits may be denied eligibility under the sequestration process. (A person's eligibility for a given service, however, does not always mean he or she will receive it. The Head Start program, for example, serves less than 20 percent of those eligible.)

Programs Affected

Most federal spending programs, including most programs for low-income children and families, would be subject to the across-the-board spending cuts if they occur.

The following table shows the spending reductions for the important programs for children and families included in the Child-

Children's Survival Bill Programs

Cuts Under Gramm-Rudman FY 1986

	FY 1985 Appropriation	FY 1986 Appropriation	Gramm-Rudman FY 1986 Reduction[a]	FY 1986 Appropriation minus Gramm-Rudman Reduction
	($ in millions unless noted)			
Child Welfare				
Child Welfare Services	200	207	9	198
Child Abuse	26	26	1	25
Juvenile Justice	70	70	3	67
Runaway Youth	23	23	1	22
Family Violence	6	2.5	.1	2.4
Foster Care and Adoption Assistance	552.6	549.6	[b]	
Child Care				
Head Start	1.075 bill.	1.087 bill.	47	1.04 bill.
Title XX Social Services	2.75 bill.	2.7 bill.	116	2.58 bill.
School Age Child Care	0	5	.2	4.8
Health				
Maternal and Child Health Block Grant	478	478	21	457
Family Planning	143	143	6	137
Immunization				
Stockpile	42.3	47.4	2	45
Grants	4	4	.2	3.8
Community Health Centers	383	400	4[c]	396
Migrant Health Centers	44.3	45.4	.5[b]	44.9
Mental Health				
Alcohol, Drug Abuse and Mental Health Block Grant	493.6	491	21	470
Community Support (includes Child and Adolescent Services Program)	10.5	12.5	.5	12
Education				
Chapter I	3.69 bill.	3.69 bill.	159	3.53 bill.
Education of the Handicapped	1.32 bill.	1.41 bill.	61	1.35 bill.
Magnet Schools	75	75	3.2	71.8
Bilingual Education	173	173	7.4	166
Employment				
Job Training Partnership Act	3.75 bill.	3.46 bill.	149	3.31 bill.
Summer Youth	825	665	29	636
Job Crops	617	640	28	612

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[a] Cuts in the listed programs under Gramm-Rudman in FY 1986 are 4.3%.

[b] Special rules apply.

[c] Cut limited to 1% in FY 1986.

ren's Survival Bill as a result of the sequestration scheduled for March 1, 1986. Gramm-Rudman limits the amount to be sequestered in FY 1986 to $11.7 billion, with half cut from defense and half from domestic programs. The $5.8 billion reduction in domestic programs equals a 4.3 percent cut in those programs fully subject to sequestration.

The amount that may be cut from these children's survival programs under a sequestration order in the upcoming 1987 fiscal year and in future years is impossible to predict now. It will depend on a number of factors -- economic conditions as they affect revenues, changes in tax laws, and changes in spending. In January 1986, the director of CBO estimated that, if no changes occurred in taxes or spending, FY 1987 reductions under Gramm-Rudman could be in the range of $60 billion -- with about a 20 percent cut in non-defense programs.

Such huge reductions would devastate federal support for poor children and their families, surpassing even the damage wrought in 1981 and 1982. For many poor families and children, already reeling from the continued impact of those earlier cuts and high child poverty rates, a Gramm-Rudman cut of this size could deal a knockout blow.

Gramm-Rudman's across-the-board cuts, portrayed as "fair," will only perpetuate existing unfairness. The large corporations that pay not a dime in federal income taxes, thereby contributing billions to the national debt, will be untouched by Gramm-Rudman. So will the wealthy taxpayer who uses loopholes to reduce his federal tax rate to 3 percent or 5 percent. And while the Defense Department and the programs for poor children may suffer roughly equal percentage cuts, their starting places are widely disparate. Defense spending has increased 45.8 percent since 1979 in after-inflation dollars. In sharp contrast, to take only one example, the Title XX Social Services Block Grant that helps working poor people pay for child care is down 43.4 percent in after-inflation dollars from 1979 levels. To cut both of them now by roughly the same percentages will not affect both equally. It is like putting an overweight adult and a malnourished child on the same diet.

Exempt Programs and Programs With Special Rules

At the insistence of the House of Representatives, a number of federal programs -- including several of crucial importance to the poor -- were exempted from any budget cuts under the Gramm-Rudman scheme. Others were made subject to special rules or exceptions. While these protections are critically important in the event of sequestration, they do not shield any program from cuts that may occur in the regular budget process. To avert sequestration, the President already has proposed deep cuts in a range of programs, including many that would be exempt under sequestration.

The FY 1986 sequestration order exempts, and any future sequestration orders would exempt, the following federal programs serving poor children and families:

- Aid to Families with Dependent Children (AFDC)
- Medicaid
- Food Stamps
- Child Nutrition
- Special Supplemental Food Program for Women, Infants, and Children (WIC)
- Supplemental Security Income (SSI)
- Earned Income Tax Credit (EITC)
- Veterans Compensation and Veterans Pensions

Several other programs, including Social Security, interest on the national debt, and a number of federal trust funds are also exempt.

A few of the health programs vital to the poor and elderly are subject only to limited budget cuts under sequestration. Regardless of the percentage reduction applied to other federal spending programs, cuts in these programs if sequestration occurs cannot exceed 1 percent in FY 1986 and 2 percent in each year thereafter:

- Community Health Centers
- Migrant Health Centers
- Veterans Health Programs
- Indian Health Programs
- Medicare

The legislation also contains a special rule for Foster Care and Adoption Assistance. Under it, states will be spared cuts in federal funds for this program's benefits and administrative costs, except that they would be denied federal reimbursement to match any rate increase in their foster care and adoption assistance payments taking effect during the applicable fiscal year. Sequestration of outlays for the child support enforcement program also is restricted to reductions in the federal matching rate for state administrative expenses. The guaranteed student loan program is subject to budget savings that are limited to changes in the lender subsidy and the student origination fee.

There is also a special rule for any federal program with an automatic cost-of-living adjustment (COLA) built into current law: the cut would be limited to the elimination of the COLA. This rule primarily affects federal retirement programs, but also includes the special milk program, and the vocational rehabilitation program for handicapped and disabled individuals.

THE FUTURE OF GRAMM-RUDMAN

If implemented over the next five years, Gramm-Rudman almost certainly will have a devastating effect on federal support for programs vital to low-income children and families. While some key programs are protected under the legislation, most others will be subject to drastic funding reductions.

The new law's sequestration or automatic spending reduction process is under both a legal and political cloud. First, many questions have been raised about the constitutionality of the statute, including its delegation of key congressional and presidential authority to CBO, OMB, and the Comptroller General, who heads GAO. On February 7, 1986, a special three-judge panel of the Federal District Court for the District of Columbia found the sequestration process to be an unconstitutional violation of the principle of separation of powers. This is because it gives executive branch authority to the Comptroller General, who is in some respects part of the legislative branch. The court did not, however, order the proposed March 1 cuts to be stopped. The case now goes to the Supreme Court with the cuts still scheduled to take effect. The Supreme Court is likely to make a decision in the spring or summer of 1986. Should it agree with the lower court, many parts of the legislation, including the deficit targets, would survive, but across-the-board spending cuts could occur only upon approval of both houses of Congress and the President.

Second, the potentially devastating effect of the automatic spending cuts on a wide variety of programs and constituencies may force Congress and the President to find an alternative. Such a plan could include more selective budget cuts and revenue measures. Whether majorities in Congress can be found to coalesce around an effective alternative, and whether the President would sign it, remains in question, however.

Finally, the possibility remains that Gramm-Rudman, or parts of it, may be repealed or amended by Congress if it cannot reach agreement with the President upon any deficit reduction scheme and wants to avoid the sequestration process of Gramm-Rudman. Among the many other possible scenarios is one in which some sequestration would go ahead but the percentage cut for the year would be capped at a lower level (by changing the deficit target or another part of the law), in accord with what Congress would see as programmatic and political reality.

CDF RECOMMENDATIONS FOR RESPONSIBLE DEFICIT REDUCTION

The Gramm-Rudman legislation must be repealed and replaced with sane and reasonable budget policies. Responsible deficit reduction is an important goal, but so are the health and well-being of

America's children. These goals are not inconsistent. A rational budget policy governed by sound and humane economic and moral principles must replace the bankrupt and short-sighted budget policies of the past five years. Continuing to cut vital support from the young, and to neglect the human infrastructure of the country, will contribute to, not reduce, future deficits.

A responsible budget policy would invest in children, invest in the defense budget but at a more reasonable level, and plug the tax loopholes that cost the government billions of dollars in lost revenue.

The Children's Survival Bill begins to steer our national budget priorities in the right direction. It proposes critically important investments in children and youths, while at the same time cutting the deficit through controls on defense spending and selected tax increases that will not hurt America's poor and middle-class families. The Children's Survival Bill couples governmental investment in human survival and opportunity with budgetary prudence.

BUDGET AND SEQUESTRATION TIMETABLE FOR FY 1987-1991

President submits budget to Congress.	First Monday after January 3
Congress completes action on budget.	April 15
Congress completes action on reconciliation legislation, which achieves savings included in budget resolution.	June 15
House completes action on all thirteen appropriations bills.	June 30
Congressional Budget Office and Office of Management and Budget estimate deficit and report to the General Accounting Office.	August 15
President issues sequestration order setting automatic spending cuts.	September 1
Fiscal year ends; Congress completes action on all appropriation bills.	September 30
Fiscal year begins; sequestration order making automatic spending cuts takes effect unless Congress and the President have agreed on alternative deficit reduction plan.	October 1*
Final order for automatic spending cuts, based on revisions, goes into effect.	October 15

*In 1986, automatic cuts will take effect on March 1.

5. Executive Summary

HEALTH

Millions of our poorest children and adults, including pregnant women, do not have adequate health insurance.

- A growing number of American families are uninsured. Two-thirds of them have family incomes of less than twice the federal poverty level. Three-quarters of the 35 million uninsured Americans are workers and the spouses and children of workers.
- Children are especially likely to be uninsured. One in three poor children either is insured for only a portion of a year or not at all. Poor children are three times more likely than non-poor children to be insured for only a portion of a year or not at all.

Federal health programs have provided considerable and critical assistance to many of our poorest families. Because of these programs' limited funding and often arbitrary eligibility rules, however, they are less effective than they could and should be.

- Only one in ten children in poor working families, and one in four children in poor non-working families, was insured by Medicaid for a full year in 1980.
- While Community and Migrant Health Centers served nearly 5 million persons last year, another 20 million medically underserved Americans did not get the assistance they needed because no health center was available to them.

Increased poverty and reduced access to health care for the most vulnerable groups in the population appear to be responsible for a disturbing recent slowdown -- and in some key instances an outright reversal -- of our nation's nearly two decades of progress in improving maternal and child health.

- Between 1982 and 1983, postneonatal mortality rates (deaths among infants between ages twenty-eight days and one year) rose 3 percent nationwide. At its current rate of progress (the rate from 1978 to 1983) the nation as a whole will not meet the Surgeon General's 1990 goal for reducing postneonatal mortality.
- Between 1982 and 1983, the percentage of infants born at low birthweight (weighing 5.5 pounds or less) increased slightly nationwide, the first such increase in eighteen years. At its current rate of progress, the nation will fall short of its 1990 low birthweight objective.
- After a decade of steady improvement in the percentage of pregnant women receiving only late (during the last three months of pregnancy) or no prenatal care, 1983 was the third consecutive year that the rate rose. Babies born to women who receive no prenatal care are three times more likely to die in infancy than those whose mothers do get this care. The nation's annual rate of progress is so slow that, unless it improves by 650 percent per year, we will not meet the Surgeon General's 1990 goal.

The President's FY 1987 budget proposes a dramatic reduction in key maternal and child health programs serving needy women and children.

- The President's proposals to cut the program would reduce Medicaid payments by $1.3 billion in FY 1987, and $17 billion over five years.
- The President proposes to freeze the Title V Maternal and Child Health Block Grant at its FY 1986 funding level of $478 million.
- The President would abolish the Community Health Centers, Migrant Health Centers, and Family Planning programs, replacing them with a block grant and FY 1987 funding levels $26.2 million less than the combined FY 1986 appropriation levels of these programs.

In contrast with the President's proposal, CDF recommends that our nation provide health coverage to more of those who have fallen through the gaps in our current system by:

- Amending the Medicaid program to provide coverage for all uninsured children and pregnant women below the federal poverty line.
- Significantly expanding funding for the Community and Migrant Health Centers programs, the Maternal and Child Health Block Grant, and the family planning and immunization programs.
- Developing specialized comprehensive health programs for particularly hard-to-reach children, such as adolescents. These programs should be strategically located in schools or in other places accessible to teens.

FAMILY INCOME

Living in poverty is now a more common -- and harsher -- existence for American children.

- Thirteen million children, more than one of every five children in America, were poor in 1984.
- In 1983 (the last year for which data are available), 5.6 million children, or 42.2 percent of all poor children, lived in families with incomes lower than one-half of the poverty level. One-half of the poverty level for a family of three in 1983 was $3,969; for a family of four it was $5,089. In 1979, by contrast, only 34.9 percent of all poor children lived in families with incomes below one-half of the poverty level.

Too few jobs are available for those who need and want to work, and federal programs to help provide job training and employment and unemployment compensation have shrunk dramatically.

- Nationwide, 8 million persons still are counted officially as unemployed, 5.5 million workers are being forced to work part time because they cannot find full-time jobs, and another 1.2 million jobless individuals have become so discouraged by bleak employment prospects that they have stopped looking for work.

- In 1981, as the nation neared the deepest recession since the Depression, the Reagan Administration and Congress eliminated more than half a million federally assisted jobs for the poor and near-poor. The Job Training Partnership Act, created in 1982, supports only training but not job creation.
- The financial protection provided by the unemployment insurance (UI) system has been eroded seriously by federal and state budget cuts and structural changes in the economy. The share of all unemployed workers receiving UI benefits hit a historic low of 25.8 percent in October 1985.

In 1984 more than 11.4 million Americans with hourly wages were paid at such low rates ($4 an hour or less) that income from a full-time job would be insufficient to bring a family of three out of poverty. In 1979 the total with such inadequate wages was 2.8 million.

Federal efforts to improve the child support enforcement system to help single-parent families have been stepped up, but support payments remain inadequate.

- In 1983, only 58 percent of the 8.7 million women raising a child whose father was absent from the home had been awarded child support.
- In 1983, the mean amount of child support paid under a court order was $1,330 per year, or 58 percent of what was due.

The chief government income support program for poor children, Aid to Families with Dependent Children (AFDC), has many problems that prevent it from doing its job effectively.

- In August 1985, the national average monthly AFDC payment per family was only $344.97. The average monthly payment per recipient was $117.70, or only $3.87 per day.
- The maximum AFDC benefit for a family of three in January 1985 was less than 50 percent of the poverty level in thirty-three states.
- Regardless of how poor they are, children in almost all two-parent families are ineligible for AFDC in twenty-five states.

- In 1978, more than seventy-six children were on AFDC for every 100 poor children in the country. In 1984, that proportion had dropped to more than fifty-five per 100 poor children.

- A substantial segment of the AFDC population does have the potential to move from welfare to work and eventual self-sufficiency. Training and employment opportunities are inadequate for those who want to make the transition from welfare to work. The most effective welfare-to-work programs make intensive investments in vocational training, remedial education, and supervised work experience for AFDC recipients. Good programs -- such as those now under way in Massachusetts, Maryland, and Maine -- also remove potential barriers to employment by providing adequate child care and other supportive services.

The President's FY 1987 budget offers no additional help and many cuts for families that cannot provide adequate income to meet their children's most basic needs.

- The President's budget includes proposals for direct benefit reductions of $373 million in FY 1987, including reduced support for those on AFDC who are struggling to work and to become less dependent on the federal welfare program. The President calls for eliminating the Work Incentive (WIN) Program and replacing it with less money for a new work program that would no longer support critical education and training activities that address major barriers to employment among AFDC recipients.

- The President's FY 1987 budget would cut $41 million from child support enforcement efforts.

CDF recommends new federal efforts to improve the ability of families to meet their basic needs.

- The federal government must resume its responsibility for job creation, abdicated under the Reagan Administration.

- To enhance the ability of families to support their children through earned income, the minimum wage should be raised to $4.25 per hour, increasing it to match inflation.

- To help many of the 3 million families depending on public income support for basic survival move toward self-sufficiency, work incentives should be established that do not reduce benefits dollar for dollar as income rises. The lessons learned from good welfare-to-work programs also should be embodied in federally supported work efforts.

- All states should provide AFDC to poor two-parent unemployed families, and the eligibility rules for the two-parent program should be changed to help make more young parents eligible for assistance.

- States should be required to adjust their need standards to reflect the real cost of living, and should be provided incentives to bolster the purchasing power of AFDC recipients by increasing benefits to reflect cost-of-living adjustments.

TAXES AND POOR FAMILIES

Many Americans incorrectly assume that the poor do not work or pay taxes.

- Census data reveal that the ranks of the working poor -- those whose earnings are not enough to lift them out of poverty -- have swelled dramatically since 1979. The number of able-bodied poor people working full time has increased by 54 percent.

- As a result of Congress' and the President's failure to adjust the tax law provisions most important to poor families, their taxes have skyrocketed. The number of poor households paying federal income taxes tripled between 1979 and 1983.

- Working poor families with children generally have seen their combined Social Security and federal income tax burden increase as a share of their income by 200 percent to 500 percent since 1979.

- While federal tax policies were responsible for pushing 696,000 members of families with children from above the poverty line to below it in 1979, by 1984 tax policies more than tripled the damage, increasing the number of persons in families pushed into poverty to 2,147,000.

The federal tax system's treatment of working families in poverty contrasts vividly with the prevailing policies toward profitable corporations and wealthy individuals and families.

- Corporate tax breaks now cost the federal government approximately $120 billion in lost revenue each year -- an amount that is more than half the budget deficit.

- Citizens for Tax Justice, a tax research organization, surveyed federal taxes on 275 major profitable American corporations between 1981 and 1984 and found that fifty of the 275 corporations, with combined profits of $56.8 billion, each paid a net total of zero or less in federal income taxes over the entire four-year period.

CDF recommends that full and appropriate tax relief must be provided to low-income working families to ease the extra hardship imposed upon them by our federal tax system in recent years. All families with incomes at or below the poverty level should be exempt from federal income taxes, and a sustantial portion of the Social Security payroll taxes on poor families should be offset.

- The standard deduction should be increased to a level sufficient, when coupled with an increase in the personal exemption, to exempt all families in poverty from federal income taxes. CDF recommends a standard deduction in the range of $5,500 to $6,000 for families.
- Eligibility for the Earned Income Tax Credit (EITC) should be adjusted to include families earning up to $16,000 per year in 1986, with the maximum credit increased on a sliding scale to $800, and the EITC should be indexed for inflation. To ease the burden on large families, Congress should add a dependent allowance to the EITC. To help working families with children, the Dependent Care Tax Credit should be improved.

The Tax Reform Act of 1985 (H.R. 3838), passed by the House of Representatives in December 1985, would fulfill the major goals of exempting all families in poverty from federal income taxes and offsetting a significant portion of their Social Security taxes.

FOOD ASSISTANCE

After a decade of progress in reducing hunger and malnutrition in America, these problems reemerged in the 1980s.

- In January 1986, the U.S. Conference of Mayors released the results of a survey of twenty-five large American cities. It found that in twenty-four of the cities, overall requests for emergency food assistance increased during 1985, by an average of 28 percent.

- The Physician Task Force on Hunger in America released two major reports in 1985 further documenting the resurgence of hunger. The Physician Task Force estimated that about 20 million Americans experience hunger at some point each month. Malnutrition now affects almost 500,000 American children, according to the report.

During the Reagan Administration's tenure, federal food programs have been cut dramatically, leaving large numbers of needy persons unserved by these programs or receiving inadequate benefits.

- The food stamp program, which helps nearly 20 million Americans defray the costs of buying food, was cut $6.8 billion from FY 1982 through FY 1985, including $1.9 billion in FY 1985 alone. Budget cuts since 1980 have pushed several hundred thousand recipients off the program, while close to 20 million other recipients saw the purchasing power of their benefits reduced.

- A lower proportion of poor people today is getting help from food stamps. In the average month of 1985, only fifty-nine persons received food stamps for every 100 persons in poverty. In 1980, the ratio stood at sixty-eight persons receiving food stamps for every 100 in poverty.

- The four basic child nutrition programs -- school lunches, school breakfasts, child care food, and summer food -- were reduced 29 percent from FY 1982 through FY 1985. As a result, the number of children receiving school lunches each day fell by about 2 million, after adjusting for changes in school enrollment.

- The Special Supplemental Food Program for Women, Infants, and Children (WIC) is still under-funded and reaches only 3.2 million people, or fewer than half of those who are eligible.

The President's FY 1987 budget contains a sweeping array of proposals for new reductions that would cut more than $1 billion a year from food assistance programs.

- The President proposes to repeal all of the modest food stamp benefit restorations enacted in December 1985 as part of the new farm bill. That legislation contained $100 million to $200 million a year in restorations, which equalled about 5 percent to 10 percent of the amount cut from food stamps in the early 1980s.

- The President also proposes to terminate all federal support for school lunches and breakfasts (as well as meals in day care centers and homes) served to children from families with incomes of more than 185 percent of the poverty line.

- The President proposes to cut by one-sixth the federal support for meals served to poor children in summer months under the "summer food program." The summer food program is designed to continue the school lunch program in summer months for children in poor areas.

- The President's proposal would set the funding for the WIC program in FY 1987 at a level that would provide program benefits to 30,000 fewer women, infants, and children than currently are being serviced.

- The President's proposal would terminate federal funding for the two emergency food programs providing funds to local government agencies, food banks, food pantries, soup kitchens, and other charities to help with local emergency efforts to relieve hunger and homelessness.

As immediate steps to deal with hunger in our nation, food stamp improvements must be undertaken to assure that poor families have a better chance of making it through the month without running out of food, school breakfasts must provide more adequate nutrition for the poor children who depend on them, and WIC must reach more of those low-income women and children who need the program's benefits.

HOUSING AND HOMELESSNESS

Many of the nation's poorest families are finding it impossible to locate decent, affordable housing.

- A 1983 report by the Congressional Research Service found that more than 60 percent of very low-income households (households with 50 percent or less of the national median income) had serious housing problems. They live in housing that is physically inadequate or overcrowded, or that imposes too heavy a cost burden on their meager financial resources.

- Between 1975 and 1983, as rents rose and real (after-inflation) incomes fell for the poor, the number of lower-income households paying more than half of their incomes for rent and utilities rose from 3.7 million to 6.3 million.

Those families in the worst situations are being squeezed out of the housing market altogether. This has created a crisis of homelessness among families with children.

- According to a 1984 U.S. Department of Housing and Urban Development (HUD) study, 22 percent of the homeless in shelters -- not including runaway shelters -- are eighteen years of age or younger.
- The U.S. Conference of Mayors found that 66 percent of the homeless in New York City's shelters in 1985 were families with children. Families made up more than 40 percent of the homeless in Chicago and Boston and more than 80 percent in Yonkers. Eighty-five percent of the cities surveyed reported increasing numbers of homeless families with children.

Despite the large unmet need, since 1981 the federal government's appropriated budget authority for low-income housing assistance has been slashed by more than 60 percent, from $31 billion in FY 1981 to $10 billion in FY 1985. Because of the time lag in approving and building projects, the full impact of the several years of drastically reduced budgets will not be felt until the late 1980s and early 1990s.

The President's FY 1987 budget proposes almost no help for homeless families in urban and rural areas.

- The President proposes to terminate the Emergency Food and Shelter Program, which, since 1983, has provided $300 million through the Federal Emergency Management Agency and the United Way.

The President's FY 1987 budget proposals will exacerbate the low-income housing crisis.

- Budget authority for low-income housing assistance would be reduced from $9.9 billion in 1986 to $2.3 billion in 1987, a reduction of more than 75 percent. And this $2.3 billion in 1987 actually would be funds deferred or carried over from the FY 1986 budget. No new budget authority is being proposed for FY 1987.

- Several specific HUD programs have been slated for elimination in FY 1987. Rental Rehabilitation and Rental Housing Development grants, which provide matching funds to stimulate new construction or rehabilitation in low-income neighborhoods, would be among those eliminated.

CDF recommends that our nation make a long-term commitment to increase the availability of decent housing for lower-income Americans. In the short term our nation must meet the emergency needs of the growing numbers of homeless families and children by providing decent temporary shelter to all who need it.

PREVENTING ADOLESCENT PREGNANCY AND BUILDING YOUTH SELF-SUFFICIENCY

Young people now need extended time to establish economic self-sufficiency before becoming parents. As a society, however, we are not meeting this need for many of our children. The signs of failure are all around us:

- Seventeen percent of youths ages eighteen to twenty-one have not completed high school.
- In 1985 only 44 percent of sixteen- to nineteen-year-olds held jobs, and thus gained first-hand work experience.
- Twelve percent of teenage girls already have become mothers. Half are raising their children as single parents.
- In 1983 there were an estimated 1.1 million teenage pregnancies resulting in 500,000 births to teens. More than 450,000 of these pregnancies and 180,000 of these births were to teens younger than eighteen, with almost 125,000 pregnancies occurring to teens fifteen and younger.

Teen parents are often unable to keep themselves and their children afloat financially.

- Young workers who are employed are disproportionately in low-paying jobs. In 1984, 65.3 percent of sixteen- to nineteen-year-old workers and 28.5 percent of twenty- to twenty-four-year-old workers paid on an hourly basis earned wages of less than $4. Even if the job was full time, $4 an hour would leave a family of three below the poverty line.

Research shows that teens from low-income families, regardless of race -- teens who are more likely to have poor basic skills and poor employment potential -- face higher risks of early parenthood.

- Disadvantaged young women, whether black, white, or Hispanic, are three to four times more likely to become unwed parents than are advantaged teens.
- Because of higher poverty rates among minority families, however, minority teens are at higher risk of too-early parenthood. Minority teens account for 27 percent of the adolescent population, about 50 percent of poor adolescents, and about 40 percent of the teenage women who give birth.

To turn this crisis around, we need to make a national commitment to our young people that reaches into every level of American life. The federal government will have a role to play. So will individual parents, families, communities, and local and state governments.

Preventing teen pregnancy means more than giving teens sex education and access to contraception and thus the capacity to avoid becoming pregnant. It means giving them compelling reasons to avoid pregnancy by investing in comprehensive efforts to offer all of our youths the hope, opportunity, education, and skills they need to become self-sufficient.

EDUCATION

While our publicly financed educational system works for most American children, it is failing to provide sufficient education for a substantial segment of our youths.

- Regardless of race, students from poor families are three to four times more likely to drop out than those from more affluent households. In large public school districts in our major cities, where the great majority of students come from poor families, dropout rates frequently exceed 40 percent.
- Every year some 10 million children are held back a grade in school. Between 1977 and 1983, the segment of the student population that had repeated or was repeating a grade grew by one-fourth (from 17.6 percent to 22.1 percent.)

There is clear evidence that federal education programs can make a difference for low-income and minority students.

- According to the National Assessment of Educational Progress, younger black students made steady gains in reading achievement during the 1970s, narrowing the gap between black and white test scores by 40 percent.
- The Sustaining Effects Study by the U.S. Department of Education confirmed that children who receive compensatory education services achieve higher reading and mathematics scores than similar children who do not have access to this program.
- By 1977 black high school graduates were going on to college at the same rate as their white peers.

The federal government's share of the nation's total education expenditures has been cut from 9.2 percent in 1979-1980 to 6.2 percent in 1984-1985. As a result of this sharp decline, only a fraction of the children in need of assistance now can be served by federal education programs:

- While the number of poor school-aged children has risen by 2 million since 1979, the number who are receiving federal compensatory education services has fallen dramatically. In 1984, 550,000 fewer students were served under Chapter 1 than under the Title I program, as it was then called, in 1979. As a result, compensatory education programs served only fifty-two students for every 100 poor school-aged children in 1984, as compared to seventy-five per 100 such children in 1979.

President Reagan's FY 1987 budget proposes further major reductions in federal spending for education. Total education funding would be cut from the $18.4 billion appropriated for FY 1986 to $15.2 billion in FY 1987, a 17 percent decrease.

- FY 1987 funding for the Chapters 1 and 2 programs would be frozen at FY 1986 appropriated levels. The Administration's failure to offset the effects of inflation in these programs will result in substantial declines in the number of children served. For example, 260,000 fewer children would receive compensatory education through Chapter 1.

- The Administration's FY 1987 budget proposes substantial reductions in handicapped education, migrant education, immigrant education, and TRIO programs.

- The President proposes to abolish a number of smaller federal education programs, including Training and Advisory Services for school districts in the process of promoting desegregation; the Follow Through program, which bolsters the gains made by Head Start children; and the Women's Educational Equity Act.

- The largest education spending cuts in the Administration's FY 1987 budget are targeted on federal student financial aid programs. Under these proposals, 1.4 million students would lose all federal help for meeting college expenses. Overall federal spending for post-secondary education in FY 1987 would be slashed by more than $2.2 billion (26 percent) below FY 1986 appropriation levels.

CDF recommends that federal education policies strengthen opportunities for all children to realize their full potential, and ensure that those less fortunate are not left behind.

- Increasing federal funds for education programs of proven effectiveness -- such as Chapter 1 in elementary schools, handicapped and bilingual education, and magnet schools -- represents an immediate first step toward better education for our children.

- Further steps include: expansion of Chapter 1 in middle schools, development of out-of-school remedial education in community learning centers, and funding for dropout prevention.

YOUTH EMPLOYMENT

Our nation is failing to provide many poor and minority youths with either the skills or the opportunities to work and support themselves.

- Only 42.6 percent of black and 52.8 percent of white eighteen- to twenty-one-year-olds from impoverished families in 1983 had earned high school diplomas.

- Only 22 percent of all black sixteen- to nineteen-year-olds and 29 percent of all Hispanic youths in this age group were employed as of November 1985 -- half the employment rate of their white peers.

- In 1983, more than half a million persons (508,000) younger than twenty-two were heads of households with young children. Of that group of young family heads, more than one in four (130,000) was unable to find work for all or part of the year.

A strong federal role in youth employment and training can enhance employment and training opportunities for poor and minority young people:

- Even among young people with multiple problems, Job Corps increases employment, earnings, and school completion while reducing crime and welfare dependency. Research has shown that every dollar invested in Job Corps yields $1.45 in benefits to American society.

Our nation's commitment to youth employment and training programs has fallen far short of meeting the needs of most poor and minority teenagers.

- The Summer Youth Employment Program (SYEP), which offered summer job opportunities to nearly 1 million young people when President Reagan took office, served just over 750,000 last year.
- Job Corps reaches only about one in eighteen of the 1.5 million teenagers officially counted as unemployed.

The President's FY 1987 budget proposes cutting about half of all federal employment and training funds targeted exclusively on youths.

- SYEP would be funded at $428 million, roughly half of the federal funding level in FY 1985 and a 33 percent reduction from already low FY 1986 levels.
- Job Corps also would be slashed nearly in half by the President's FY 1987 budget proposals. The Administration proposes to cut funding from $640 million to $352 million.
- Vocational education programs would be cut by more than one-half.

In contrast with the President's proposal, CDF recommends that the federal government take some immediate steps to move the nation toward a system in which both hard work and learning by poor and minority youths are encouraged and rewarded, including:

- Adding a remediation component to the Summer Youth Employment Program.
- In federal administration and oversight of the Job Training Partnership Act, emphasizing basic skills development for youths and outreach efforts targeted on young high school dropouts.
- Boosting the federal commitment to Job Corps and the Summer Youth Employment Program to allow them to offer more employment opportunities to disadvantaged youths.

ABUSED AND NEGLECTED CHILDREN AND OTHERS WITH SPECIAL NEEDS

While the vast majority of our nation's children are growing up in physically and emotionally secure environments, several million of them are not.

- Reports of child abuse and neglect continue to rise nationwide, reaching a level of 1.7 million children in 1984 -- up 16 percent from the year before and up 39.8 percent since 1981, according to the American Association for Protecting Children, a Division of the American Humane Association.
- Children in foster care number about 300,000, approximately half of whom entered care because of abuse or neglect in their homes.
- A third group of especially vulnerable children consists of the 3 million seriously emotionally disturbed children and adolescents in our nation. Only a third of these youngsters currently are receiving any help.

Even in the face of escalating reports of abuse and neglect and increasing demands on public social service agencies, the federal government has slackened its support for child protection programs.

- While reports of abused and neglected children have increased 156 percent since 1976, when the Title XX Social Services Program first was implemented, the FY 1986 funding level of $2.7 billion for the program is only $200 million above its 1976 funding level, and substantially below that in inflation-adjusted dollars.

- The federal funding level for services to keep children at home or to reunify them with their families is far short of that anticipated at the time of the law's enactment. Cumulative 1981-1985 funding for the Title IV-B Child Welfare Services Program (without accounting for inflation) fell 29 percent below the amount anticipated for the program. Cutbacks in federal service dollars have forced overworked state-level child welfare staffs to choose between crisis cases and prevention and permanancy efforts, usually to the neglect of the latter.

- In recent years, the federal government has retreated from any substantive effort to meet the complex needs of children and adolescents with serious emotional problems. The federal Alcohol, Drug Abuse, and Mental Health Block Grant is down from $691 million in 1981 to $490 million in 1985 and again in 1986.

The President's FY 1987 budget proposes to make cuts in most programs serving children with special needs.

- The budget proposes a 22 percent reduction in appropriations for the federal programs specifically targeted on abused and neglected children and other victims of family violence.

- The President's budget would maintain the Title XX Social Services Block Grant at its FY 1986 level of $2.7 billion in FY 1987, but would give it additional responsibilities.

- The President would eliminate the Child and Adolescent Service System Program (CASSP), designed to help states better serve seriously emotionally disturbed youngsters and their families by improving the coordination of services to meet their needs.

Some beginning steps toward offering children and their families the help they need include additional resources for the programs that serve abused and neglected children and their families, a stronger Adoption Assistance and Child Welfare Act, and increased funds for the Child and Adolescent Service System Program.

RUNAWAY YOUTHS AND OTHERS IN THE JUVENILE JUSTICE SYSTEM

Our nation has a growing need for appropriate services to help troubled youths.

- It is estimated that at least 1.2 million to 1.5 million children and adolescents run away from home or are abandoned by their families each year.
- On one day alone in 1983, the U.S. Census Bureau's Biennial Survey of Children in Institutions reported, there were 80,091 juveniles incarcerated in public and private juvenile detention and correctional facilities. In the course of a year, more than 500,000 juveniles pass through these facilities. While the problem has declined in recent years, too many juveniles still are held in adult jails -- as many as 1,760 on an average day and 400,000 in the course of a year.

The federal government's major initiative to help troubled youths, the Juvenile Justice and Delinquency Prevention Act, first enacted in 1974, has been a significant catalyst for state and local reforms.

- With help from a portion of this law, the Runaway and Homeless Youth Act, more than 60,000 youths were sheltered by federally funded runaway centers in all fifty states and the District of Columbia in FY 1984, and 245,000 others received services on a drop-in basis.
- The number of status offenders in secure detention facilities declined from 200,000 in 1979 to 25,000 in 1984. Three-fifths of the states report a decline in the number of juveniles held in adult jails.

Despite this progress, studies suggest that, among runaway and homeless youths, only about one-fifth to one-fourth receive services from programs that are able to meet their needs.

- The Office of the Inspector General in the U.S. Department of Health and Human Services reported that, of the runaway youths counted in 1983, federal shelters served no more than one in three and sheltered no more than one in twelve.

Nor are young people in the juvenile system getting the kind of help they need.

- In Kansas, which is not atypical, an estimated 1,500 juveniles still are put in jail each year, usually in rural counties.

The federal commitment is not keeping pace with the needs of troubled youths.

- Funding for the Runaway and Homeless Youth program has stayed at $23.25 million for the past three years. Shelters have seen their grants reduced as funds have been stretched to cover an increased number of shelters.

The President's FY 1987 budget, for the sixth year in a row, proposes elimination of the Juvenile Justice and Delinquency Prevention Program, which is funded at $70.2 million in FY 1986.

The President's budget maintains the Runaway and Homeless Youth Program at its FY 1986 appropriations level of $23.25 million, the level at which it has been funded since FY 1984.

CDF recommends that our nation provide troubled youths with a continuum of care that includes preventive and early intervention services, as well as a range of non-residential and residential programs.

- Increased investment in the Juvenile Justice and Delinquency Prevention Act, the Runaway and Homeless Youth Act, and the Adoption Assistance and Child Welfare Act can enable state and local service programs to move closer to these goals.

CHILD CARE

For many working American families, child care has become a necessity.

- The number of children younger than six with mothers in the work force was 5.8 million in 1970 and will have nearly doubled -- to 11.5 million -- in 1990, according to projections.

- While the cost of out-of-home care can range from $1,500 to $10,000 annually for each child, most parents pay about $3,000 per child each year for child care services.
- Many working poor families cannot pay for child care without government assistance. In 1983, 2.5 million children were poor even though they had a parent who worked full time.

The government programs designed to assist America's low-income families to pay for child care reach only a minority of families that need help.

- Due to funding cutbacks the major federal program to directly assist poor families to pay for child care -- the Title XX Social Services Block Grant -- is now, in real terms, 72 percent of its 1981 level.
- While Title XX funding has dropped, the number of poor children needing child care assistance has grown. In 1981, there were 3.4 million poor children younger than six, but by 1984 their numbers had grown to 4.9 million.
- Despite efforts in some states to make up for federal funding cutbacks, thirty-five states spent less money (after inflation) for child care services funded through Title XX in 1985 than in 1981.
- States are reporting a widening gap between the need of low-income families for child care assistance and the meager resources available. For example, in 1984 only 20,000 of the 300,000 Pennsylvania children in need of subsidized child care received it.

The President's FY 1987 budget proposes cuts in a range of programs that help provide direct support for child care to low-income families.

- President Reagan proposes to cut the Title XX Social Services Block Grant by adding to it additional responsibilities from other programs he wants to eliminate, without increasing Title XX funding.
- The budget also calls for cutting the Child Care Food Program (CCFP), which subsidizes the cost of meals in day care centers, by approximately $200 million through elimination of meal subsidies to children from families earning more than 185 percent of the poverty level.

In response to the growing child care crisis, CDF urges that the federal, state, and local governments take the initiative to build a child care system that works.

- To begin to create the necessary resource base, the Children's Survival Bill calls for Title XX funds to be boosted from $2.7 billion this year to $3.3 billion in FY 1987, and for a child care set-aside to be established.
- To help adolescent mothers stay in school through graduation, the bill would authorize $50 million for local education authorities to provide them with child care and education in parenting skills.
- To broaden the base of community institutions offering affordable child care to the poor, the bill would provide incentive funds to institutions ranging from public housing authorities to public school systems and colleges.

HEAD START

More and more Americans, especially those with the means to pay, are enrolling their children in early childhood development programs.

- Enrollment of three- and four-year-olds nearly doubled from 1970 to 1983. According to the National Center for Education Statistics, 53 percent of three- to four-year-olds whose families had incomes of $25,000 a year or more attended a preschool program in 1982. In contrast, fewer than 29 percent of such children whose families had incomes of less than $10,000 a year were enrolled that same year.

Head Start has proven very successful both in the short and long term as a comprehensive early childhood development program for low-income children.

- Head Start children are less likely to be held back a grade or assigned to a special education class than similar children who have not attended the program.
- "Changed Lives," a twenty-year follow-up study of graduates of a program like Head Start, found that the total economic benefits of two years of such an experience to the individual child and to society as a whole outweigh the costs by seven to one. Compared to their peers without a similar experi-

ence, former Head Start graduates were more likely to graduate from high school and to go on to vocational or academic training.

Despite Head Start's proven effectiveness, however, the federal commitment of funds falls far short of the need for this program.

- Head Start now reaches 452,000 disadvantaged youngsters, or only 18 percent of the 2.5 million who need its services. Although funding for Head Start has increased from $820 million in 1981 to $1.087 billion in 1986, this apparent growth is somewhat illusory: the increase is only roughly equal to inflation. Hundreds of thousands of underprivileged children are on Head Start waiting lists.

The President's FY 1987 budget proposes to fund Head Start at $1.075 billion in FY 1987, the same level as in FY 1985, despite inflation. The Administration's proposal means that thousands fewer children will get the benefit of a Head Start experience.

CDF recommends an increased federal commitment to the Head Start program. Congress should meet two key goals: maintaining a high-quality comprehensive program and enabling more children to be served.

- Authorization levels that would increase by $200 million each year for several years could double Head Start's funding base and serve hundreds of thousands more children.
- Eventually, every eligible child should have the benefit of an experience in Head Start or a comparable program. Federal Head Start funding, as supplemented by the states where necessary, should be sufficient to provide a high-quality, comprehensive early childhood development experience for every child for whom it can make a positive difference.

ENERGY ASSISTANCE TO FAMILIES

While most American families can afford to pay the energy costs to protect their children from temperature extremes, a growing number of the poor cannot.

- In northern states energy costs are eating up an average of more than 20 percent of the incomes of low-income households, while the average American household spends less than 5 percent of its income on energy.
- In more than half the states, the average low-income household's energy expenditure is roughly $1,000 a year or more.
- In Alabama, the U.S. Department of Health and Human Services estimate of a low-income household's annual energy costs is equal to 57 percent of the state's annual AFDC grant for a family of three. It is 68.5 percent of need in Mississippi and 45.1 percent in Tennessee.

The federal government offers two programs to help low-income energy consumers meet their energy needs, but they reach only a fraction of the poor families that need assistance.

- In FY 1985, approximately 6.8 million households were served by the Low-Income Home Energy Assistance Program (LIHEAP), with an average benefit of $220 per household. During that same time, the Low-Income Weatherization Program reached only 200,000 housing units. In total, those served are a small proportion of the roughly 22 million households that are potentially eligible for aid under the two programs.

The President's FY 1987 budget proposes to hold spending for LIHEAP at $2.1 billion, but to eliminate the $178 million home weatherization program (allocating only $38 million for the cost of winding down and closing shop).

CDF recommends that the federal government provide a level of assistance through weatherization help and bill-paying aid that will reduce the financial strain on poor families.

- The four-to-one ratio between low-income households and other households in the share of household income going to energy costs should be halved at least.
- The federal government also should provide sufficient weatherization funds to weatherize all low-income homes within ten to fifteen years.

LEGAL SERVICES

The federal legal services program, although its funding has been reduced, has survived the Reagan Administration's fifth attempt in as many years to wipe it out entirely.

- The FY 1986 appropriation has been set at $305.5 million. Adjusting for inflation, this is 76.2 percent of the FY 1981 total.
- At the beginning of 1981, before program cuts, there were 6,337 field program attorneys nationwide; at the end of 1984, there were 4,767 --- a 25 percent reduction.

The Legal Services Corporation (LSC) board now includes several members who are hostile to legal services field programs or critical of efforts to help poor clients through legislative advocacy and class action lawsuits. The new board has proposed measures calculated to undermine legal services' ability to solve the problems of poor clients in a systematic fashion, such as elimination of support centers and excessive restrictions on lobbying activities.

For the sixth consecutive year, the President's budget for FY 1987 calls for the elimination of all funds for LSC. Each year a large bipartisan majority in Congress has rejected this proposal.

CDF recommends that the federal legal services programs be expanded so that free legal services are available to protect those too poor to afford their own counsel. The types of services that must be available must be the same as those available to other Americans: representation in court, in administrative agencies, and in the legislature when appropriate.

CIVIL RIGHTS

The Reagan Administration's unprecedented policy is to blame the victims of discrimination for their plight and oppose most efforts to strengthen civil rights.

- In an attempt to roll back civil rights enforcement in employment, U.S. Attorney General Edwin Meese III is pushing to eliminate longstanding requirements that employers with federal contracts take affirmative action to include qualified minorities and women in their work force. The requirements have contributed significantly to the progress that minorities and women have made in the job market. The rate of increase of the minority work force among federal contractors has been double that of companies not subject to the requirements, according to studies by the U.S. Department of Labor and private researchers.

- The Justice Department sided against black voters in the case of Thornburg v. Gingles, which is likely to produce the first major Supreme Court interpretation of key 1982 amendments strengthening the Voting Rights Act.
- In the Grove City case in 1984, the U.S. Supreme Court, at the prompting of the Administration, held that the prohibition against sex discrimination by federally funded educational institutions applies only to the particular activity for which the federal funds are used. The Administration quickly applied the ruling broadly to undercut laws prohibiting discrimination on the basis of sex, race, or handicap.

This Administration often has failed to take action to end discrimination.

- Of the twenty-four cases in which the U.S. Department of Education's Office of Civil Rights found discrimination and which were referred to the Justice Department for action, Justice has instituted litigation in only three.

The President's FY 1987 budget, in a special civil rights analysis, proposes to cut the budgets of the primary civil rights enforcement agencies, including the offices of Civil Rights in the Department of Education and the Department of Health and Human Services.

In addition, the Administration proposes cutting or eliminating key programs aimed at eradicating discrimination against minorities, women, and the handicapped. Those targeted include the Women's Educational Equity Act, Title IV of the Civil Rights Act for desegregation assistance, the Emergency Immigrant Education Assistance Act, and particular programs under the Education of the Handicapped Act.

6. Health

Every child needs health care. Good medical care must begin even before a child's birth, with comprehensive prenatal care provided early in and throughout a mother's pregnancy. It continues throughout childhood, with care for a child's preventive, acute, and chronic health care needs.

No child -- whether his need is for immunizations, treatment for a strep throat, dental care, hospitalization, medicines, eyeglasses, or speech therapy to treat a hearing loss -- should go without health care because his family cannot afford it. No pregnant woman should be denied prenatal care because she does not have enough money to pay for it.

Early and continuous prenatal care (which includes regular medical exams, any needed treatment, nutrition, and other services) can reduce the incidence of mortality and low birthweight in infants by more than 25 percent. Low birthweight babies are twenty times more likely to die in the first year of life and are at significantly greater risk of developing such permanent handicapping conditions as retardation, cerebral palsy, and autism. Children born to mothers who receive no prenatal care are three times more likely to die in their first year of life.

Early and continuous health care for children after their birth also saves lives. It helps prevent unnecessary pain and suffering. It also averts or minimizes long-term health problems. Thus, it plays a key role in enabling children to grow into healthy, productive adults.

High-quality preventive, primary, and remedial care ensure that problems that can develop during infancy, such as neurologic or orthopedic impairments, are detected and treated. As they grow up, elementary school children and teenagers frequently suffer from health problems that can substantially impair their ability to attend or benefit from school and prepare for later life. Indeed, health professionals working with low-income school children estimate that as many as 80 percent of those children are suffering from one or more untreated medical conditions. Many of these conditions, such as vision, hearing, and dental problems, anemia, and mental health and developmental conditions, can be treated and remedied, averting long-term harm to the child.

Teenagers have a special need for comprehensive medical care for reproductive-related reasons in order to avoid the risk of unintended pregnancy. Access to preventive health education promotes more mature decisionmaking by teens about whether to begin engaging in sexual activity. Comprehensive family planning services are crucial for teens who do choose to be sexually active. Teens who are sexually active also need medical attention to identify and treat sexually transmitted diseases. And finally, pregnant teens have a special need for health care for both themselves and (in the case of the hundreds of thousands of teenagers each year who choose to carry their pregnancies to term) for their babies.

Because it prevents more serious or long-term problems, early and continuous health care for pregnant women and children saves our society money. Comprehensive prenatal care is highly effective in reducing the incidence of prematurity and low birthweight. We can save $100 for every hour that we postpone the birth of a premature infant through high-quality prenatal services. Every dollar spent to provide good maternity care saves more than $3 in the first year alone by reducing the need for expensive hospital stays among babies. That same dollar saves up to $11 in total medical expenses over the lifetime of a child, because fewer children are born with permanent disabilities. Children who receive comprehensive pediatric care have been shown to have annual health care costs nearly 10 percent lower than children who do not receive such care.

Decent health care, including preventive care, is expensive for a family. Total U.S. spending on health has risen from 6 percent of the Gross National Product in 1965 to 10.8 percent of the much larger Gross National Product in 1983. America spent $1,286 per person on health care that year.

Our nation relies primarily on an employment-based system of private insurance to meet the health needs of much of the working-age population and its dependents. Employer-based group health insurance covers most Americans who are employed and, often, their spouses and children. The employer typically pays much or all of the cost of premiums for coverage of the employee, and frequently some or all of the cost for dependents. The costs of this insurance are held down because the link of the pool of insured persons with employment excludes many Americans who tend to have the most health problems, including the elderly, the disabled, and those who are unemployed because they are ill.

The federal government helps to underwrite the costs of this system by providing substantial tax relief when employers subsidize employee health insurance. The employer's payments for insurance premiums or health bills are not counted as part of an employee's salary for federal tax purposes. The federal government's cost in 1985 for not taxing employer-paid health insurance benefits was estimated at $20.2 billion, up from $8.3 billion in 1979. The federal government also gives tax relief to individuals or families with very high medical bills they pay out-of-pocket. This cost the government $3.4 billion in 1985. The federal government also spent $57.4 billion on Medicare insurance benefits for the elderly and disabled in 1985.

GAPS IN OUR EMPLOYER-BASED HEALTH INSURANCE SYSTEM LEAVE MILLIONS OF FAMILIES' BASIC HEALTH NEEDS UNMET

This system of insurance works fairly well in meeting much of the cost of major health care expenses for adults who are employed in jobs with good fringe benefits and, to a lesser but considerable extent, their spouses and children. But millions of our poorest children and adults, including pregnant women, do not have adequate access to such insurance. Whether the parents are unemployed or employed at low-paying jobs that offer no health insurance coverage, the families wind up without private insurance benefits. Given the high cost of health care, low-income families then cannot get the care they need unless they obtain it through the public system.

A growing number of American families are uninsured either privately or publicly. Two-thirds of them have family incomes of less than twice the federal poverty level. Three-quarters of them are members of working families. Millions more have very inadequate insurance.

Children are especially likely to be uninsured. While persons younger than age eighteen make up 26 percent of the country's population, they make up 36 percent of the 35 million Americans who lack health insurance.

Poor children face particular problems. One in three poor children is either insured for only a portion of a year or not at all. Poor children are three times more likely than non-poor children to be either insured for only a portion of a year or not at all.

> Jim is a Minnesota father who was laid off from the iron mine in 1982. After the layoff he paid for his family's health insurance out of his unemployment check as long as he could afford to, but those checks ended. In late 1983, his wife Laura became pregnant with their second child. Luckily, a Minnesota foundation had given the local hospital a grant that paid for the delivery of their daughter, Karen, but that grant has been used up. Karen, now sixteen months old, has a limp. She needs to be evaluated for an orthopedic problem and Jim thinks she will need surgery, but he and Laura have not taken her to a physician because they do not have the money. The family now cannot afford the health care it needs. Jim and Laura need counseling but have stopped going because the bills (which the local mental health center had to start sending when its federal funding was cut) caused fights between them. Jim hasn't seen a dentist in two and a half years.
>
> Jim just found a new job. He works twelve hours a day, earning $900 a month, but the job provides no health insurance.

Jim's story was told in the fall of 1985 when CDF's Minnesota Project interviewed dozens of providers and families in urban neighborhoods and rural communities of the state. These interviews yielded a striking picture of poor families' lack of access to health care. Jim's story was one of desperation. Others were accounts of tragedy:

> In 1984 an eighteen-year-old woman living in the Rochester area in southern Minnesota became pregnant. She was working full time at a minimum wage job, which provided no health insurance. To qualify for public health insurance she would have had to quit her job, the source of support for her and her baby. She decided not to and received no prenatal care. Her baby came early, and died a few days later.

The growing problem of uninsuredness among poor and near-poor women and children is intrinsic to our employer-based system, and unique among wealthy western countries. Other nations use a variety of mechanisms to assure that all their citizens have relatively uniform health insurance. Our system provides 85 percent of private health insurance through the workplace, which causes huge gaps.

The problem is not just that families with no currently employed member are uncovered. Our system also excludes members of families -- usually at the lower end of the income scale -- when the parents' employers do not offer any health insurance coverage as a fringe benefit to the employees. For example, 30 percent of all employers who pay more than half their work force only the minimum wage offer no health insurance. Moreover, the system excludes children when employers offer coverage to employees but either do not offer it at all to their dependents or offer it only at an unaffordable cost.

As a result, fully three-quarters of the 35 million uninsured Americans are workers and the spouses and children of workers. These workers are disproportionately poor. While among all workers fewer than one in twelve is uninsured, one in four workers earning less than a poverty-level income is without this important protection.

These workers face a virtually impossible dilemma. They have a choice of going without insurance coverage for themselves or their families or buying insurance coverage at far more costly and often unaffordable individual rates.

Given the cost of routine health care alone, and the risk of a catastrophic illness with its huge costs, going without insurance is an untenable choice for a low-income family. The family will not be able to afford to purchase the care it needs out-of-pocket.

But for the family to purchase insurance on its own is also a virtual impossibility. For any poor or near-poor family, the costs of buying its own insurance are prohibitive. Today, the typical cost of purchasing a family health insurance plan directly from an insurer, rather than through the employer-based system, is about $3,500 per year. This is more than half of the annual income of a full-time worker earning the minimum wage. In contrast, employment-based group rates are lower, and, more importantly, most employers underwrite at least a portion of their employees' insurance costs.

Moreover, the individually purchased policies are far less likely than are group policies to cover services such as dental care and prescription drugs, or to provide a broad scope of hospitalization and physician benefits.

Even if the workplace offers insurance, lower-paid employees cannot afford to participate if their share of the premium payments is high. In 1980, nearly one out of five employers paid no portion of premiums for coverage of dependents, and in recent years employers who do pay part of the premium cost have reduced the size of their contributions in order to save money. Between 1982 and 1983 alone, the proportion of employees with family coverage who were required to pay part of their premium cost rose from 40 percent to 50 percent.

Even before these recent cutbacks in employer contributions to the cost of insurance, employers on the average paid only 75 percent of the premium cost. Today, a group insurance family coverage plan can easily cost $3,000 per year. If a minimum wage employee had to contribute 25 percent of this cost, the monthly premium of $62.50 would represent 11 percent of his or her gross pay. Thus, even for many workers whose employers do provide insurance, the cost of family coverage may be unaffordably high, forcing the worker to leave his or her children uncovered.

As a result, children in working poor families are even more likely than their parents to be uninsured. While 60 percent of poor working adults have some private insurance, only about 50 percent of children in poor working families have any private coverage. Indeed, it has been estimated that more than 27 percent of all children who are uninsured live with an insured parent.

Even those poor and near-poor children who are insured may be deterred from getting necessary care by employers' increasing use of deductibles and coinsurance (various kinds of payments the family must make despite the insurance) designed to cut costs and deter utilization of services. High deductibles and coinsurance can have a particularly chilling effect on children's utilization of preventive and primary care.

The types of services that insurance plans cover also tend to be skewed to the needs of adults. The plans often do not include the routine and preventive medical and dental services that children need more frequently. Only 28 percent cover dental care. Only 9 percent cover vision care. And only 6 percent cover routine health exams.

In recent years some employers have added health promotion and wellness programs to their plans, including primary care and well-baby coverage. But the scope of coverage in most employer-based benefit plans is still inadequate. The extent to which parents cannot rely on private plans to meet their children's health needs is clearly shown by data on the sources of physician income. In general, more than 66 percent of all physician income is derived from private and public insurance, while 33 percent comes from patients' out-of-pocket payments. In the case of pediatrics, however, only 36 percent is derived from private or public insurance, while 64 percent of all revenues come from out-of-pocket expenditures by the patients' parents.

OUR PATCHWORK OF PUBLIC PROGRAMS FILLS ONLY PART OF THE PRIVATE HEALTH INSURANCE GAP

For those children and their parents who are unable to obtain private insurance, or who are inadequately insured, our nation has developed a fragile patchwork of public health programs. The most important of these programs for poor pregnant women and children are Medicaid, the Title V Maternal and Child Health Block Grant, Community and Migrant Health Centers, the Title X Family Planning Program, and federal immunization grants.

Medicaid

Medicaid is the largest of all public maternal and child health programs. Through it the federal government shares with the states the cost of basic medical and dental care for poor persons who are aged, blind, or disabled, children in certain types of families, their parents, and some groups of pregnant women. To be eligible for Medicaid children must be poor enough to meet very low state-defined income standards. Medicaid represents 55 cents out of every public health dollar spent on children; 26 cents out of every dollar, public or private, spent to hospitalize children younger than age six; 30 cents out of every dollar spent on hospital delivery services provided to pregnant teens; and 10 cents out of every dollar spent on ambulatory pediatric care. In 1984, Medicaid served 10.5 million children under age 21.

The Title V Maternal and Child Health Block Grant

This grant program primarily funds clinics that provide free or reduced cost basic maternity and pediatric care to millions of poor and near-poor pregnant women and children each year. The program also provides medical care to thousands of particularly ill or handicapped children with special health care needs. In 1983, 235,000 pregnant women and millions of children were served by clinics and providers funded wholly or in part by the Title V program. Title V clinics have been instrumental in reducing the incidence of death and disability among the women and children they have served.

Community and Migrant Health Centers

Nearly 800 federally funded Community and Migrant Health Centers served more than 5 million persons in 1985, about two-thirds of whom were children or women of childbearing age and 80 percent of whom had family incomes lower than 150 percent of the federal poverty level.

Title X Family Planning Program

Family planning clinics funded by the Title X Family Planning program served more than 5 million women of childbearing age in 1985. More than 80 percent of family planning clinic patients have family incomes of less than 150 percent of the federal poverty level. The appropriate timing and spacing of pregnancies is crucial to child health. The family planning program therefore is vital not only because it has reduced the rate of unintended pregnancy (by an estimated 800,000 pregnancies in 1981 alone), but also because it has been a key factor in reducing infant mortality.

Immunizations

Federal immunization grants are used to purchase and administer life-saving vaccines to millions of American children. Through the immunization program we have virtually eradicated such fatal and crippling diseases as diphtheria, pertussis, and polio.

The Effectiveness of Public Health Programs

Even our limited commitment to these public health programs has produced some remarkable results, including measurable improvements in the access to health care of low-income mothers, infants, and children, and, therefore, in their health status.

In 1963, prior to the creation in 1965 of programs such as Medicaid and Community Health Centers, and the expansion of maternal and child health services under Title V of the Social Security Act, only 63 percent of pregnant women in America began prenatal care within the first trimester of pregnancy; by 1979, that figure had grown to 76 percent. Between 1964 and 1975, poor children increased their use of physician services by 74 percent, so that by the late 1970s publicly insured low-income children were visiting physicians nearly as frequently as other children.

Predictably, the improved access to health care resulted in improvements in health. While overall infant mortality fell only 15 percent from 1950 to 1965, it fell 49 percent between 1965 and 1980. For black infants, mortality dropped 5 percent in the fifteen years before Medicaid started, and 49 percent in the fifteen years after Medicaid was passed. Certain childhood illnesses, such as measles and pertussis, virtually disappeared as increasing numbers of children gained access to preventive health services.

By averting more costly and serious health problems, Medicaid has proven cost-effective. Researchers have demonstrated that for every dollar spent to provide comprehensive maternity care for Medicaid-eligible pregnant women, two Medicaid dollars can be saved in the first year of their babies' lives alone, because of reductions in low birthweight rates and a consequent reduced need for hospital care. Ongoing preventive care for Medicaid-eligible children has cut program costs for children who need it by nearly 10 percent.

These federal programs have provided considerable and critical assistance to many of our very poorest families. Because of these programs' limited funding and often arbitrary eligibility rules, however, they are less effective than they could and should be. For example, Medicaid eligibility rules make it especially difficult for children from poor working families (especially from two-parent families) to get benefits, no matter how poor they are. Only one in ten children in poor working families, as opposed to one in four children in poor nonworking families, was insured by Medicaid for a full year in 1980. This problem was intensified by federal cutbacks in Aid to Families with Dependent Children (AFDC) in 1981, which were directly aimed at eliminating many poor working families from the program. Those who lost AFDC benefits also usually lost Medicaid coverage.

During the 1970s, when many of the federal programs achieved their highest funding levels in real terms, they still reached only a fraction of the women and children who needed them. Since 1980, their effectiveness has been severely curbed by federal budget cuts. The Title V Maternal and Child Health Block Grant, Family Planning, and Migrant Health Center programs all are operating at funding levels below the amounts needed to maintain their services at 1981 operating levels; Community Health Centers are barely operating at 1981 levels. After huge funding cuts in 1982, funding levels have risen, over the Administration's objections, but in most health programs they have not risen nearly enough to compensate for inflation, much less enough to restore the 1981 cuts.

The most important program, Medicaid, has been under constant pressure from the Administration. Particularly in the period of 1982-1984, cuts in federal funds and changes in program rules led many states to reduce eligibility and give fewer services to those who remained eligible. States have placed limits on the number of hospital days and the number of visits to the doctor for which they will pay, regardless of how ill the patient is, or reduced or frozen Medicaid provider reimbursement rates -- all of which have reduced both providers' willingness to serve Medicaid recipients and recipients' ability to receive appropriate, needed services. Further, the scope of medical services covered varies from state to state, often providing inadequate coverage. As a result, in FY 1984 Medicaid served virtually the same number of children that it served in FY 1978, even though the number of children living in poverty had increased by one-third. The unmet health needs of low-income women and children, already great by 1980, are now enormous.

As part of the Deficit Reduction Act of 1984, Congress enacted important improvements in Medicaid coverage for certain groups of pregnant women and for children younger than age five living in two-parent families (these improvements are known as the Child Health Assurance Act, or CHAP). But the Robert Wood Johnson Foundation has estimated that Medicaid still reaches only 46 percent of poor and near-poor families, down from 65 percent a decade ago.

Poor Americans average 25 percent fewer physician visits than non-poor Americans, when visit rates are adjusted for health status, according to researchers at the National Center for Health Statistics. Mexican-American infants were twice as likely as white non-Hispanic infants to be born outside of a hospital in 1982. Poor and Hispanic children younger than age two are one and one-half to two times more likely than white non-Hispanic children not to see a physician at all during an entire year.

Poor Americans are also far less likely to get preventive care such as breast exams or immunizations. In 1982, nonwhite children between ages one and four were 31 percent less likely than white preschoolers to be immunized against diptheria, pertussis, and tetanus; 38 percent less likely to be immunized against polio; and 22 percent less likely to be immunized against mumps. Moreover, between 1983 and 1984 there was a 69 percent increase in the number of reported measles cases nationwide. The Centers for Disease Control classified one-third of these as preventable. The Alan Guttmacher Institute estimates that four out of ten poor and near-poor women have unmet needs for family planning services, and that more than three out of every ten poor women of childbearing age are uninsured. And while Community and Migrant Health Centers served nearly 5 million persons last year, another 20 million medically underserved Americans did not get the assistance they needed because no health center was available to them.

MATERNAL AND CHILD HEALTH IS ERODING, ESPECIALLY AMONG POOR AND MINORITY FAMILIES

Increased poverty and reduced access to health care for the most vulnerable groups in the population appear to be responsible for a disturbing recent slowdown -- and in some key instances an outright reversal -- of our nation's nearly two decades of progress in improving maternal and child health. America's poorest children have been, to a disproportionate extent, the casualties of this nationwide retrenchment.

Postneonatal Mortality Is Increasing

Between 1982 and 1983, postneonatal mortality rates (deaths among infants ages twenty-eight days to one year) rose 3 percent nationwide. Provisional data from the National Center for Health Statistics indicate that in the twelve-month period ending November 1984, the postneonatal mortality rate rose another 6 percent nationwide. If this increase is confirmed by final infant mortality data for 1984, it will mean that, over a two-year period, postneonatal

Surgeon General's Postneonatal Mortality Goal

In 1979, the Surgeon General of the United States established a set of national objectives for 1990, including maternal and child health objectives. These goals were not overly ambitious; rather they were relatively modest and quite attainable. In examining the nation's and states' rates of progress in maternal and child health, it is clear that little progress toward the Surgeon General's objectives is being made. In some key measurements, the nation actually is moving in the wrong direction. One of these is postneonatal mortality.

The Surgeon General's goal states that, by 1990, the postneonatal mortality rate should be reduced to no more than 2.5 deaths per 1,000 live births. At its current rate of progress (the rate from 1978 to 1983) the nation as a whole will not meet the Surgeon General's 1990 goal. Only three states (Iowa, Maine, and Oklahoma) of the forty-eight states with measurable numbers of postneonatal deaths in 1983 will meet the goal.

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mortality in the United States jumped by an unprecedented 9 percent. Moreover, between 1982 and 1983, postneonatal mortality rates among black infants -- those babies most likely to be born into poverty -- increased by 5 percent, the first reported increase in black postneonatal mortality in eighteen years.

When infant mortality rates decline, there are two major contributors: the improved capacity of medical technology to save babies through expensive neonatal intensive care, and improvement in public health and prevention programs such as decent housing, sanitation, food, primary medical care, and family supports. Of the two, medical technology has a greater impact on very early, or neonatal, mortality rates (deaths between birth and twenty-eight days). It is also very expensive, and may reach limits imposed by technology or by society's willingness to pay.

The rise in postneonatal mortality indicates a deterioration in the second chief contributor to reducing infant deaths: our public health and preventive systems, and our families' capabilities to meet their infants' basic needs. Some postneonatal mortality is caused by the death of very tiny, premature, or sick infants who could not survive their first year of life even with first-rate medical care. But experts estimate that 80 percent of postneonatal mortality involves full-term, full-weight infants. Black infants born at full term and full weight are 2.1 times more likely to die during the postneonatal period than full-term, full-weight white infants. This black/white gap in postneonatal mortality among full-term, full-weight infants is even greater than the black/white gap for overall infant mortality.

The Nation's Decline in Overall Infant Mortality Has Slowed

Even the decline in overall infant mortality rates (deaths between birth and one year) has slowed. The rate of improvement averaged approximately 3 percent per year between 1981 and 1983, the slowest rate of decline in eighteen years. Provisional data from the National Center for Health Statistics indicate that, for the twelve-month period ended November 1984, infant mortality continued to decline at a slow rate.

Infant Mortality Rates, by Race, U.S., 1940-1983

			Nonwhite		
Year	All Races	White	Total	Black	Ratio of Black to White
1940	47.0	43.2	73.8	72.9	1.69
1941	45.3	41.2	74.8	74.1	1.80
1942	40.4	37.3	64.6	64.2	1.72
1943	40.4	37.5	62.5	61.5	1.64
1944	39.8	36.9	60.3	59.3	1.61
1945	38.3	35.6	57.0	56.2	1.58
1946	33.8	31.8	49.5	48.8	1.53
1947	32.2	30.1	48.5	47.7	1.58
1948	32.0	29.9	46.5	45.7	1.53
1949	31.3	28.9	47.3	46.8	1.62
1950	29.2	26.8	44.5	43.9	1.64
1951	28.4	25.8	44.8	44.3	1.72
1952	28.4	25.5	47.0	46.9	1.84
1953	27.8	25.0	44.7	44.5	1.78
1954	26.6	23.9	42.9	42.9	1.79
1955	26.4	23.6	42.8	43.1	1.83
1956	26.0	23.2	42.1	42.4	1.83
1957	26.3	23.3	43.7	44.2	1.90
1958	27.1	23.8	45.7	46.3	1.95
1959	26.4	23.2	44.0	44.8	1.93
1960	26.0	22.9	43.2	44.3	1.93
1961	25.3	22.4	40.7	41.8	1.87
1962	25.3	22.3	41.4	42.6	1.91
1963	25.2	22.2	41.5	42.8	1.93
1964	24.8	21.6	41.1	42.3	1.96
1965	24.7	21.5	40.3	41.7	1.94
1966	23.7	20.6	38.8	40.2	1.95
1967	22.4	19.7	35.9	37.5	1.90
1968	21.8	19.2	34.5	36.2	1.89
1969	20.9	18.4	32.9	34.8	1.89
1970	20.0	17.8	30.9	32.6	1.83
1971	19.1	17.1	28.5	30.3	1.77
1972	18.5	16.4	27.7	29.6	1.80
1973	17.7	15.8	26.2	28.1	1.78
1974	16.7	14.8	24.9	26.8	1.81
1975	16.1	14.2	24.2	26.2	1.85
1976	15.2	13.3	23.5	25.5	1.92
1977	14.1	12.3	21.7	23.6	1.92
1978	13.8	12.0	21.1	23.1	1.93
1979	13.1	11.4	19.8	21.8	1.91
1980	12.6	11.0	19.1	21.4	1.95
1981	11.9	10.5	17.8	20.0	1.90
1982	11.5	10.1	17.3	19.6	1.94
1983	11.2	9.7	16.8	19.2	1.98

Source: National Center for Health Statistics

Surgeon General's Infant Mortality Goal

In measuring progress toward the Surgeon General's goals, CDF has used a cautious statistical analysis that looks at rates during the past five years of available data, including the years of greater progress (generally, 1978 to 1981) as well as those of slower progress (1982 and 1983). If the slower rates of progress that generally prevailed in 1982 and 1983 were to continue throughout all or most of the rest of the decade, it is questionable whether the nation will meet the Surgeon General's goal for overall infant mortality.

On the basis of 1978 to 1983 trends, however, we project that the nation will meet the Surgeon General's goal for infant mortality.

The Surgeon General's goal states that by 1990 the national infant mortality rate should be reduced to no more than nine deaths per 1,000 live births, with no county and no racial or ethnic subgroup having an infant mortality rate in excess of twelve deaths per 1,000 live births.

While the nation will meet this goal, the goal will not be met for black infants. We would have to increase our rate of progress by an additional 32 percent per year to do so. Moreover, over one-fifth of the states (Alabama, Alaska, Colorado, Georgia, Kentucky, Mississippi, New Hampshire, New Jersey, South Carolina, Virginia, and Wyoming) will not meet the overall goal, nor will many counties within states.

Further, eighteen of the thirty-one jurisdictions (thirty states and the District of Columbia) with statistically significant numbers of infant deaths in 1983 will not meet the goals for nonwhite infants. They are Alabama, Alaska, Connecticut, Florida, Georgia, Illinois, Kansas, Kentucky, Massachusetts, Michigan, Mississippi, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia. A nineteenth state, Wisconsin, is actually moving in the wrong direction.

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During the 1970s, infant mortality declined at a considerably faster rate -- an average of between 5 percent and 6 percent per year -- at a time when public spending on poor children was stable or increasing. Even during the recession of the mid-1970s, the infant mortality rate continued to decline rapidly.

Since the most recent decline in black infant mortality was even smaller than the decline in white infant mortality, by 1983 the nation was experiencing the largest gap between black and white deaths (a ratio of nearly two to one) in more than forty years.

In 1983, the disparity between black and white infants was greatest for causes of death that might have been reduced or avoided in large measure by the preventive and supportive care that babies get when families can afford it. For example, black infants were only at slightly greater risk than white infants of death from congenital anomalies (birth defects), but were more than twice as likely to die as a result of maternal complications of pregnancy, birth asphyxiation, and Sudden Infant Death Syndrome (SIDS), twice as likely to die from accidents or other adverse effects, and three times more likely to die from pneumonia. With proper health care, support for families, and other interventions, many of these deaths might have been averted. Had our nation been able to reduce the black infant death rate to the level for white babies, 5,500 fewer black infants would have died in 1983.

Low Birthweight and Prematurity Are on the Rise

Between 1982 and 1983, the percentage of infants born at low birthweight (weighing 5.5 pounds or less) increased slightly nationwide. For white infants, this represented the first such increase in eighteen years. In 1983, one out of every eight black infants and one out of every eighteen white infants was born at low birthweight. One out of every ten Puerto Rican infants was born at low birthweight in 1982, the most recent year for which national statistics on births to Hispanic groups are available. Low birthweight infants are twenty times more likely to die in the first year of life and are at significantly greater risk of developing such long-term disabilities as cerebral palsy, autism, and retardation.

Surgeon General's Low Birthweight Goal

The Surgeon General's goal states that, by 1990, low birthweight babies (those weighing 5.5 pounds or less at birth) should constitute no more than 5 percent of all live births, with the rate not to exceed 9 percent in any county or for any racial or ethnic subgroup. At its current rate of progress, the nation will fall short of its 1990 objective for both white and nonwhite infants. To meet it, the annual rate of progress would have to increase by 300 percent per year.

Only nine states (Alaska, Iowa, Minnesota, Nebraska, New Hampshire, North Dakota, South Dakota, Washington State, and Wisconsin) will meet the overall objective of 5 percent. The other forty-two jurisdictions will not. Only nineteen of the forty-eight jurisdictions with reliably measurable numbers of nonwhite low birthweight births will meet the objective for nonwhite infants of 9 percent. They are Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, Oregon, Rhode Island, South Dakota, Utah, Washington State, and Wyoming. The other twenty-nine jurisdictions will not meet the goal.

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In 1983, one out of every six black infants and one out of every twelve white infants was born prematurely.

Prematurity also went up in 1983, to 9.6 percent of all babies born that year, part of a steady climb from 8.9 percent in 1980.

Prenatal Care Patterns are Worsening

More women are getting late or no prenatal care, and fewer are getting early prenatal care. After a decade of steady improvement in the percentage of pregnant women receiving only late (during the last three months) or no prenatal care, 1983 was the third consecutive year that the rate rose. Babies born to women who receive no prenatal care are three times more likely to die in infancy than those whose mothers do get this care.

This problem is particularly severe for minority women and pregnant teenagers.

In 1983, for the fifth year in a row, there was no improvement in the percentage of pregnant women who received early prenatal care (beginning in the first three months of pregnancy).

Women and children at greatest risk of poverty are the least likely to receive the health care they need. The mothers of three out of five Hispanic infants born in 1982 did not receive prenatal care early in pregnancy.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

Despite widespread childhood poverty and a nationwide increase in postneonatal mortality, the President's budget for FY 1987 calls for dramatic reductions in key maternal and child health programs serving needy women and children. Further, the President seeks to rescind FY 1986 funding that Congress already has committed to public maternal and child health efforts.

The President's FY 1987 health proposals are identical to those rejected by Congress for the past several years. Once again, the President calls for low levels of spending or major cuts in key programs.

Percentage of Babies Born to Mothers Receiving Late or No Prenatal Care, in 1983 by Age and Race of the Mother

	White	Black	All Races
Under 15 years	23.5%	20.3%	21.8%
15-17 years	12.6	14.7	13.4
18-19 years	9.5	13.1	10.5
All teens (under 20 years)	10.6	14.0	11.7
All ages	4.6	9.7	5.5

Surgeon General's Early Prenatal Care Goal

The Surgeon General's goal states that, by 1990, 90 percent of all pregnant women should obtain prenatal care within the first three months of pregnancy. The nation's annual rate of progress is so slow that, unless it improves by 650 percent per year, we will not meet the Surgeon General's goal. Only the state of Maine will meet this objective.

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- Medicaid: The President's budget would reduce Medicaid payments by $1.3 billion in FY 1987 alone by placing a "cap" on federal Medicaid payments to states. Between FY 1987 and FY 1991, $17 billion would be cut from the federal Medicaid budget as a result of this cap. Beginning in FY 1987, the capped federal payments would be permitted to grow only at the annual medical care inflation rate. No other increase in federal funds would be permitted. Elderly and disabled persons, who on the average use many services more intensively than other recipients, make up a growing proportion of the Medicaid population. This demographic change alone would mean that the cap would force a cut in benefits over time. Moreover, no increase in funds would be permitted for program improvements such as a state's expansion of the groups of children or the types of medical services covered, or increases in the often extremely low fees that discourage providers from participating in the program. Also, the Administration proposes that the funding cut under the cap be accompanied by changes in federal Medicaid law that would permit states to further reduce both the benefits they provide and the number of persons covered.

- The Title V Maternal and Child Health Block Grant: The President proposes to freeze the block grant at its FY 1986 funding level of $478 million, disregarding the effects of inflation and the increased need for Title V services.

- Community Health Centers, Migrant Health Centers, and Family Planning: The President would abolish these programs and replace them with a block grant, leaving funding levels for FY 1987 $26.2 million (or 4 percent) below these programs' combined FY 1986 appropriation levels. Indeed, the proposed FY 1987 combined funding level for these three programs and a fourth included in the block grant would be $8 million below FY 1985 funding levels.

- Immunizations: Despite the many poor children who lack proper immunizations, the President proposes to decrease immunization funding by $1 million for FY 1987, reducing appropriations from $57 million to $56 million. Fifty percent of all children who are vaccinated each year receive their immunizations through this program. The President's proposed cuts, when combined with the rampant inflation that has affected the vaccine program in recent years (with another 36 percent rise in the cost of polio vaccine expected this year alone) would mean that thousands fewer children will be immunized.

  Furthermore, the President has requested no funds to start rebuilding the low national vaccine stockpile. There is currently only a sixteen-week stockpile, even though Congress and the Centers for Disease Control recommend maintaining a six-month supply.

The Nation's Progress Toward Meeting the Surgeon General's 1990 Objectives for the Nation

Goal and Race	1983 Rate	Average change per year 1978-83	Average change needed per year to reach the 1990 goal	Projected to meet the goal based on 1978-83 trend
Infant Mortality				
Total	11.2	-0.52	-0.31	Yes
White	9.7	-0.46	-0.10	Yes
Nonwhite	16.8	-0.86	-0.69	Yes
Black	19.2	-0.78	-1.03	No
Neonatal Mortality				
Total	7.3	-0.44	-0.11	Yes
Postneonatal Mortality				
Total	3.9	-0.08	-0.20	No
Low Birthweight				
Total	6.8	-0.06	-0.26	No
White	5.7	-0.04	-0.10	No
Nonwhite	11.4	-0.10	-0.34	No
Early Prenatal Care				
Total	76.2	0.26	+1.97	No
White	79.4	0.24	+1.51	No
Nonwhite	63.4	0.40	+3.80	No

FY 1986 Rescissions and Gramm-Rudman Cuts

The President's budget also calls for the following rescissions of FY 1986 funds:

- A $21 million (or 5 percent) reduction in the FY 1986 appropriation for Community Health Centers. Such a cut would result in the denial of care to thousands of patients currently being served.
- A $646,000 reduction in FY 1986 Migrant Health Center appropriations that now amount to only $45.4 million. This cut would reduce services available to thousands of migrant and seasonal farm workers and their families.

These rescissions would come on top of the 1 percent reduction in funding that both programs are scheduled to absorb in FY 1986 as a result of Gramm-Rudman. In combination with the Gramm-Rudman 4.3 percent reduction in funding for the National Health Service Corps, these rescissions and Gramm-Rudman cuts would mean that health centers would serve 550,000 fewer patients in FY 1986.

In addition, Gramm-Rudman FY 1986 reductions are scheduled to take $21 million from Title V Maternal and Child Health funds and $2.5 million from the immunization program, further eroding the ability of these programs to meet the needs of pregnant women and children.

CDF RECOMMENDATIONS

In the short term, there is much that must be done to improve existing programs for poor families and children. We must provide health coverage to more of those who have fallen through the gaps in our current system. These steps, as described in the Children's Survival Bill, include:

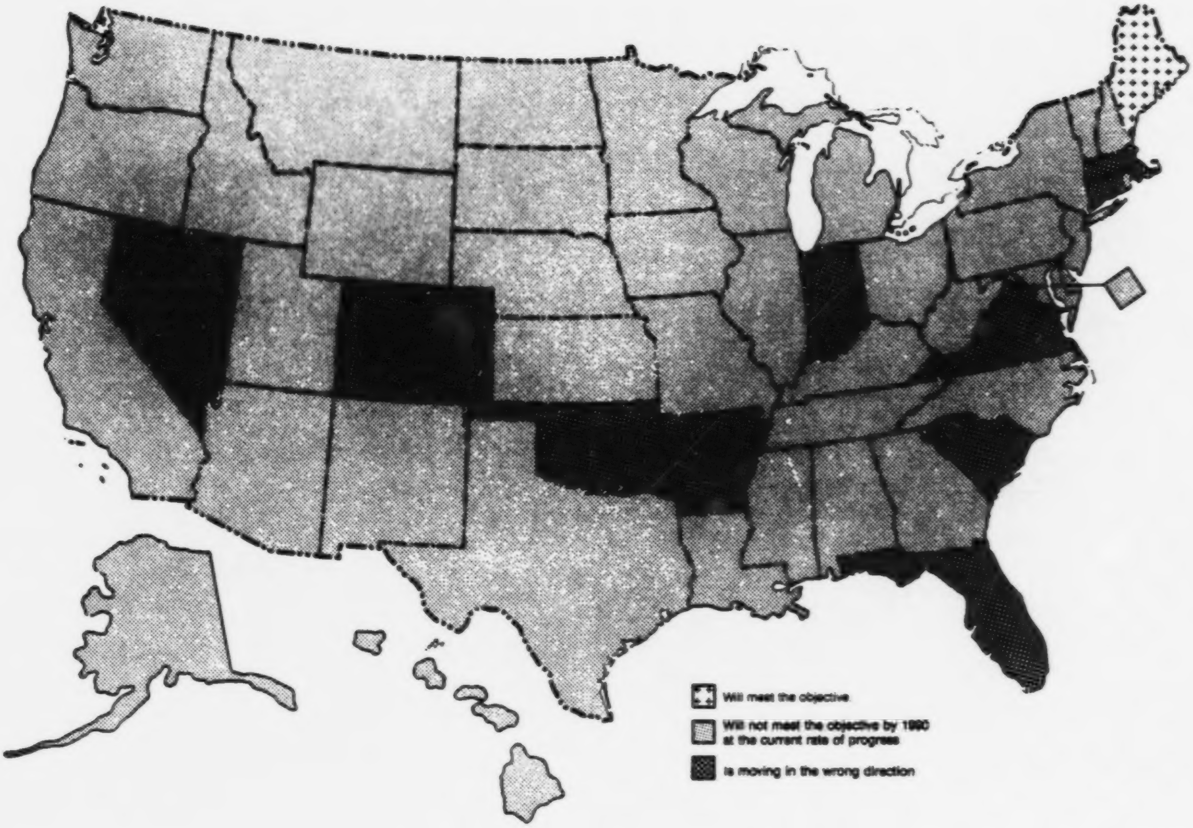
- Amending the Medicaid program to provide coverage for all low-income uninsured children and pregnant women, whether they live in one-parent or two-parent families.
- Raising Medicaid income-eligibility standards so all children and pregnant women below the federal poverty line get needed health care.

- Significantly expanding funding for the Community and Migrant Health Centers programs, the Maternal and Child Health Block Grant, and the family planning and immunization programs so that they can serve greater numbers of women and children, and reach into previously underserved geographic areas.

- Developing specialized comprehensive health programs for particularly hard-to-reach children, such as adolescents. These programs, strategically located in schools or in other places accessible to teens, have been a proven source of high-quality health care in the communities in which they have been launched. Thousands of children have received care for common pediatric health problems. Pregnant teens have received earlier prenatal care. There also are strong indications that the health education and family planning services offered by some of these clinics have actually deterred too-early sexual activity or pregnancy.

In the long term, we must alter the current insurance system so that all Americans, regardless of the parents' employment status or the quality of their employers' health plans, receive health insurance coverage. A national health policy must make decent health care available and affordable to all Americans, in a non-discriminatory way that emphasizes preventive services and has necessary cost controls. Health care must go to all those who need it, not just those who have good insurance through employment or sufficient income to purchase care.

Progress Toward the Early Prenatal Care Goal, All Races, 1983


Will meet the objective.
Will not meet the objective by 1990 at the current rate of progress
is moving in the wrong direction

By 1983, no state had reached the Surgeon General's 1990 objectives for early prenatal care, and at current rates of progress only one will. Ten states actually are moving in the wrong direction.

HEALTH: FUNDING AND BUDGET REQUESTS, FY1981-FY1987
(in millions of dollars)

program	FY1981 actual	FY1982 proposed	FY1982 actual	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 actual	FY1986 after Gramm-Rudman	FY1987 proposed
MCH Block Grant	456.7	347.5	373.8	347.5	373.0	373.0	398.0	407.0	478.0	478.0	478.0	457.0	478.0
Community Health Centers	323.0	--[a]	281.2	--[a]	295.0	--[a]	337.0	--[a]	375.0	--[a]	400.0	396.0	--[a]
Migrant Health Centers	43.2	--[a]	38.2	--[a]	38.1	--[a]	42.0	--[a]	45.3	--[a]	45.4	40.9	--[a]
Family Planning	161.7	--[a]	124.2	--[a]	124.0	--[a]	140.0	--[a]	142.0	--[a]	143.0	136.8	--[a]
Immunization	31.0	--[a]	34.6	28.9	39.0	41.9	41.9	46.0	54.0	54.0	57.0	54.5	56.0

	FY1987 current policy	FY1987 proposed	Change from current policy	Percent change
Medicaid	25,880.0	24,708.0	-1,172.0	-4.5

[a] Proposed to repeal, include in block grant; funding would have been cut by 25 percent in FY1982, increased by less than 1 percent in FY1983, and remained level for FY1984; the block grant proposed for FY1985 would have shown a slight increase of 2.2 percent; the block grant proposed for FY1986 would have been funded at FY1985 levels; the block grant proposed for FY1987 would be funded $26.2 million below these programs' FY1986 pre-Gramm-Rudman level and $8 million below the FY1985 level.

7. Family Income

Every child needs to grow up in a family that has income sufficient to provide for his or her most basic needs such as housing, food, heat, transportation, clothing, and medical care. Yet 13 million children, more than one out of every five children in America, were poor in 1984. These children lived in families with incomes below the poverty line -- below the barebones level the federal government estimates is necessary to meet a family's minimal subsistence needs.

Poverty is not confined to a small, hardcore group of needy families or a permanent "underclass." From 1969 through 1978, a quarter of America's entire population had been poor for at least one year. While some families remain mired in poverty for periods of many years, many more come into poverty for briefer periods. Two-thirds of children who are poor at some time during a fifteen-year period will be poor for no more than four years during that period. But any amount of time a child spends in poverty can leave deep scars.

Living in poverty is now a more common existence for American children. In 1984, 3 million more of them were in poverty than in 1979. Half of those 3 million were five years old or younger. And living in poverty is an increasingly harsh existence. Not only are more families poor, but poor families are poorer. In 1983 (the last year for which data are available), 5.6 million children, or 42.2 percent of all poor children, lived with incomes lower than one-half the poverty level. One-half of the poverty level for a family of three in 1983 was $3,969; for a family of four it was $5,089. In 1979, by contrast, only 34.9 percent of all poor children lived with incomes below one-half of the poverty level.

Another way of measuring the deterioration in the conditions faced by families in poverty is the so-called income deficit, the gap between the average actual income of people living in poor families and what the poverty level dictates they need for a marginal subsistence. From 1974 to 1984, in inflation-adjusted dollars, this deficit for each person in a poor family -- each man, woman, and child -- rose from an average of $993 to $1,139. In other words, the difference between the average poor person's income and the poverty line increased 14 percent. This also means that, by 1984, the average person living in a poor three-person household had income that met only 58.7 percent of his or her share of the total income necessary to meet that family's poverty level.

The reasons that the incomes of so many American families are inadequate, whether for a year, a decade, or longer, are complex. Low wages, unemployment, family break-up, inadequate child support, and very low welfare benefits are all contributing factors.

Almost half of the heads of poor households do have earned income, but not enough to lift the family out of poverty. Another group of families is poor because the head-of-household is unemployed. A source of income that in theory could provide considerable help to many single-headed families after family break-up -- child support -- generally has done little to alleviate the widespread poverty among those families. And finally, families are poor because, when these other income sources are very small or nonexistent, the government assistance that families can get is extremely inadequate and growing smaller.

In general, children are not poor because their parents are not working or do not want to work. Sheldon Danziger and Peter Gottschalk of the Institute for Research on Poverty, in October 1985 testimony before the House Committee on Government Operations, estimated that more than two-thirds of heads of poor households who were expected to work did work either full time or part time during all or part of 1984. They excluded heads who are older than sixty-five, disabled, full-time students, or women with children younger than six. They also estimated that 80 percent of the men who head poor households and who are not elderly or disabled worked in 1984.

For many families with working parents, however, earned income alone is not enough to lift the family out of poverty. In recent years more working families have become poor despite their earnings. According to a November 1985 report by the Center on Budget and Policy Priorities, the number of individuals aged twenty-two to sixty-four who work but still remain poor has increased by more than 30 percent since 1978.

One major reason so many working American families cannot meet their families' needs is that their meager wages are losing ground to inflation. The minimum wage, which sets the income level of many poor workers, has not been increased since January 1981. Because inflation has robbed their income of much of its value, many minimum wage workers' families have been driven into poverty. In 1979 a full-time worker making the minimum wage of $2.90 per hour earned wages equal to the poverty level for a family of three. In 1986 the minimum wage is $3.35 -- only 16 percent higher -- but the inflation-adjusted poverty level is more than 54 percent higher. The minimum wage worker's family of three, as a result, now must survive on an income that is only three-fourths of the poverty level. At today's minimum wage, even if one parent works full time and one parent half time, their combined wages still would not be enough to lift a family of four or more out of poverty.

More working families are poor today because more Americans, and particularly more young Americans, are working at lower wages. In 1979, 13.7 percent of all hourly workers in America aged twenty to twenty-four earned $2.90 an hour or less, wages equal to the poverty level for a family of three if the worker was employed full time. Adjusting this wage for inflation, by 1984 more than 21 percent of comparable hourly workers earned less than this poverty level wage for a small family. For all age groups, in 1984 more than 11.4 million Americans with hourly wages were paid at such low rates ($4 an hour or less) that income from a full-time job would be insufficient to bring a family of three out of poverty. In 1979 the total with such inadequate incomes was 2.8 million.

In addition to working families with earnings below the poverty level, there are other groups of families that cannot support their children without help. These include those who cannot work, the unemployed, and those whose unemployment insurance has lapsed. These needy families must rely on the government's last-resort system of income supports to provide them and their children with minimal subsistence.

In recent years this "safety net" has been systematically shredded, causing more and more families to fall into poverty, remain poor longer, or see their incomes fall further and further below the poverty line.

Although unemployment remains at crisis levels among many groups and in many regions, government supports to enable the unemployed to find work and to cushion the financial impact of joblessness have been reduced. Federal budgets for employment and training programs have been slashed from more than $9 billion yearly when President Reagan took office to less than $4 billion. Unemployment insurance no longer meets the needs of the majority of unemployed workers, both because of cuts in the program and because shifts in employment from manufacturing industries to the service sector have increased the numbers of unemployed workers who lack steady work histories and therefore are unable to qualify for benefits. At a recent low in October 1985, only one in every four officially unemployed workers received unemployment insurance benefits -- the lowest rate of coverage since the program's inception.

Another source of potential income for families headed by single parents -- child support -- does little to ease the growing poverty afflicting them. In 1983, about one-third of women with children by an absent father had incomes below the poverty level. Only 42 percent of these families had been awarded child support. Even among those due support, however, 28 percent never received a penny. Those poor families that did get child support received a mean payment of $1,425 a year, less than one-fifth of the income needed to maintain a family of three at poverty levels in 1983.

Families who turn to government income support to help fend off poverty are now less likely to receive the help they need. Changes made in 1981 in eligibility rules for Aid to Families with Dependent Children (AFDC), the federal government's main income support program serving families, caused some 442,000 families to lose benefits, while the benefits of several hundred thousand more were reduced. Particularly hard hit were poor working families who had received partial grants that had helped them supplement their meager earnings: 242,000 such families were terminated from AFDC rolls between May 1981 and May 1982. One and a half to two years later, 80 percent of these working families were still poor.

Families remaining on the AFDC rolls are receiving benefits that in most states are increasingly inadequate to meet even their most fundamental needs, as benefits lag more and more behind inflation. As of August 1985, the national average AFDC payment for a family was $344 per month.

This chapter examines the federal government's response to the families that cannot provide adequate income to meet their children's most basic needs: a shrinking involvement in job creation and job training, a sharp drop in compensation for those who are unemployed, an improved but still inadequate child support enforcement system, and an increasingly inadequate AFDC income support program.

TOO FEW JOBS ARE AVAILABLE FOR THOSE WHO NEED AND WANT TO WORK, AND FEDERAL JOBS PROGRAMS HAVE SHRUNK DRAMATICALLY

In the past, the federal government often has responded to unusually high levels of unemployment by helping to create additional jobs in both the public and private sectors. Such direct federal efforts first were launched during the 1930s through programs such as the Works Progress Administration and the Civilian Conservation Corps that employed millions of Americans during the depths of the Depression.

More recently, faced with rising joblessness during the 1970s, Congress once again took action to increase employment opportunities by creating jobs through the public sector. The principal vehicle was the Public Service Employment (PSE) component of the Comprehensive Employment and Training Act (CETA). While it was controversial, this program proved effective in expanding job opportunties for disadvantaged youths and adults. After the nation's unemployment rate reached 9 percent in the spring of 1975, Congress expanded the PSE program, providing 750,000 jobs in 1977. In addition, job creation programs for teenagers authorized under the Youth Employment Demonstration Projects Act in 1977 employed another 250,000 young people each year.

The rapid pace of expansion, combined with frequent legislative changes and conflicting objectives within the PSE program, led to charges of mismanagement and eventually eroded CETA's base of political support. In 1981, as the nation neared the deepest recession since the Depression, the Reagan Administration and Congress abolished PSE, eliminating more than half a million jobs for the poor and near-poor with the stroke of a pen. A year later, the Job Training Partnership Act was approved to replace the CETA program, but this new law supports only job training, not job creation.

Thus, when the recession left 12 million Americans (10.8 percent of the labor force) out of work in November 1982, the federal government had no direct job creation program with which to respond to widespread joblessness. While some regions of the country and sectors of the economy since have recovered from the 1981-1982 recession, the pervasive unemployment problem remains. Nationwide, 8 million persons still are counted officially as unemployed, 5.5 million workers are being forced to work part time because they cannot find full-time jobs, and another 1.2 million jobless individuals have become so discouraged by bleak employment prospects that they have stopped looking for work. In states such as West Virginia and Michigan, which were battered by the combination of recession and structural changes in the economy, unemployment rates remain at double-digit levels.

The controversy over CETA obscured the most important lesson of our nation's experience with direct federal job creation programs in times of high unemployment: such programs can make a real difference, especially if they are targeted at the groups that face the bleakest job prospects. One example is the Youth Incentive Entitlement Pilot

Projects, a demonstration program that offered jobs to low-income teenagers in seventeen cities between 1978 and 1980. This program triggered a 50 percent increase in labor force participation among black youths in targeted impoverished neighborhoods, providing employment lasting a year or more for nearly three in every four low-income black teenagers living in these neighborhoods.

On a more limited scale, a federal tax break -- the Targeted Jobs Tax Credit -- is intended to encourage private employers to hire low-income persons, including disadvantaged youths and AFDC recipients. Employers are offered federal income tax credits that partially offset the cost of the wages of the workers hired. Since 1978 this tax incentive has provided employers a maximum credit of $4,500 over a two-year period for each eligible person hired.

The Targeted Jobs Tax Credit has been most utilized by employers who hire economically disadvantaged young people between the ages of eighteen and twenty-four. It has been less effective in helping Americans get off welfare: in 1984, only 15 percent of all workers hired with the aid of the Targeted Jobs Tax Credit were AFDC recipients. Further, the net effect of the tax credit on overall employment levels is difficult to assess. While the wages of more than half a million newly hired workers were supported in part by the Targeted Jobs Tax Credit in 1984, the number of new jobs this created -- as opposed to vacancies filled with eligible workers -- is assumed to be well below this level.

In view of the limited effectiveness of this credit, the abolition of federal job creation efforts, and the nearly 8 million Americans who are unemployed, disadvantaged workers today face difficult odds. Those who cannot find jobs have no choice but to rely on income supports to meet their families' basic needs.

HELP THROUGH UNEMPLOYMENT INSURANCE HAS DROPPED SHARPLY

Most families headed by a worker who has just lost a job expect to rely on the unemployment insurance (UI) system to cushion the impact of the loss of income. Set up during the 1930s, the UI program is financed through federal and state payroll taxes on employers and covers 86 percent of all employed persons (the remaining workers are primarily self-employed or engaged in certain types of agricultural or domestic work). Those whose jobs were covered by this system and who have worked relatively steadily during the previous year can receive up to twenty-six weeks of benefits after losing a job, with the weekly amount based on a percentage of their prior wages.

During periods of very high unemployment, if the insured jobless rates of the state in which the worker lives rise above certain high thresholds, a jobless worker is eligible for thirteen weeks of additional help through the Extended Benefits program. The federal share of UI payroll tax revenues supports benefits for the long-term unemployed and administrative costs for both state and federal UI programs. Federal general revenues also are used to pay interest costs for program reserves and subsidized loans to states.

Until the early 1980s, the UI system provided an effective buffer for most unemployed workers in America, particularly during periods of recession. For example, in May 1975 more than two-thirds of all unemployed persons received UI benefits. Even as recently as 1980, nearly half of all unemployed workers obtained help through the UI system.

In the past five years, however, the financial protection this system provides for workers and their families has been eroded seriously by the combination of persistently high and lengthened unemployment, federal and state budget cuts, and structural changes in the economy. The share of all unemployed workers receiving UI benefits hit a historic low of 25.8 percent in October 1985, and at the close of 1985 two-thirds of all jobless Americans still received no unemployment benefits. If so-called "discouraged workers" (those who have stopped looking for work because they do not believe they will be able to find jobs) are included in the total number of unemployed, only 29 percent of all jobless Americans in December 1985 were able to rely upon UI benefits to help support them and their families.

The percentage of unemployed persons receiving benefits has thus dropped to nearly half its 1980 level, even though the national jobless rate has remained about the same.

In several large states with jobless rates higher than the national average, UI benefits help blunt the impact of unemployment for only a small fraction of those who cannot find work. In both Michigan and Texas only one out of six unemployed workers received benefits in October 1985. That same month, fewer than one in four jobless persons in Illinois, North Carolina, and Ohio got benefits.

While the reasons for this sharp decline in UI coverage are complex, federal and state budget cuts have been a major cause. For example, although there were more than 1.2 million out-of-work Americans who had been searching for work actively for more than twenty-six weeks in December 1985, the thirteen-week extension of benefits was triggered only in the State of Alaska. This is because, under 1981 budget reductions made by the President and Congress, the unemployment rates necessary to trigger eligibility for extended UI benefits in a state were raised so high that they are often not triggered even by double-digit unemployment. More recently, the Federal Supplemental Compensation program -- which was authorized during the recession in September 1982 to provide an additional eight to fourteen weeks of benefits to the long-term jobless who had exhausted all other UI support -- was allowed to expire in March 1985, eliminating virtually all UI assistance after twenty-six weeks of unemployment.

States have trimmed UI expenditures further by tightening eligibility standards, reducing benefit levels for persons who receive Social Security or private pensions, and imposing a one-week waiting period before any benefits can be received.

Because eligibility for unemployment benefits is based on work experience and wage levels during the previous year, the UI system is particularly ineffective in reaching many of the most vulnerable jobless Americans, who are disproportionately young parents, women, and minorities. Young people between the ages of sixteen and twenty-four accounted for one-third of all unemployed persons but only one-sixth of all UI recipients in 1983, a reflection of their more limited work histories as well as their relative concentration in low-wage jobs not covered by the UI system. Similarly, unemployed female and nonwhite workers are considerably less likely than their male and white counterparts to collect UI benefits. While the unemployment insurance system previously responded reasonably well to temporary spells of joblessness in manufacturing industries, its current structure is increasingly ill-equipped to cope with the large numbers of young workers and women who now hold less stable and poorer-paying jobs in the service sector.

FEDERAL EFFORTS TO IMPROVE THE CHILD SUPPORT ENFORCEMENT SYSTEM HAVE BEEN STEPPED UP, BUT SUPPORT PAYMENTS REMAIN INADEQUATE

Single-parent families are far more likely than two-parent families to live in poverty. One contributing cause of their plight has been the failure of the federal and state governments to help the custodial parents collect the child support that absent parents should be paying.

Good child support enforcement is not a panacea for childhood poverty. Far from it. Many absent parents can pay little or no support, as they themselves are unemployed, still in school as teenagers, or earning extremely low wages. Support orders generally provide a child with less than half the income needed for even a low-cost standard of living. Even when it can be paid, child support is only one essential component of the survival of single-parent families: it must be accompanied by decent job opportunities (and child care assistance) for the custodial parents, and, where needed, by government income maintenance programs to help meet a family's basic needs.

Even the limited help that is possible is being denied to many families, as increasing numbers of absent parents fail to pay support or fail to pay it in full, and collection efforts remain lax:

- In 1983, the mean amount of child support paid under a court order was $1,330 per year, or 58 percent of what was due.
- In 1983, only 58 percent of the 8.7 million women raising a child whose father was absent from the home had been awarded child support. Of those with awards, 24 percent received no payment and only half received the full amount of the award.
- Since 1975 federal law has required states to establish child support programs serving AFDC and non-AFDC clients as

> a condition of receiving federal funds for the AFDC program. However, state collection efforts have been very uneven. For FY 1984, child support collections were made for only 10.5 percent of the national AFDC caseload. Many non-AFDC families were denied child support services or put on long waiting lists.

Because existing programs were failing to help many families receive the child support they deserved, in 1984 Congress enacted the Child Support Enforcement Amendments. This new law mandates that states put in place improved enforcement mechanisms (including the withholding of wages of absent parents who fall behind on payments), and reinforces the states' obligation to serve non-AFDC families. Further, another 1984 federal legislative change makes sure that families on AFDC get some benefit from successful child support enforcement efforts: in establishing a family's AFDC eligibility and benefit levels, states must disregard the first $50 per month collected for the family in child support. Together these laws offer major hope to many needy families who stand to receive more help from child support.

State-level implementation of the new provisions has not always been vigorous, however. Advocates report state delays of up to five months in distributing disregarded child support amounts to AFDC families. Other states are reluctant to pursue aggressively the paternity determination process necessary to establish child support awards for children born out of wedlock. And many states still fail to devote the necessary resources to enforce the new legal mandates. As one non-AFDC mother wrote almost a year and a half after Congress strengthened the states' obligation to provide enforcement services to non-AFDC families:

> "I am in the process of trying to collect child support for my daughter. I have been trying for the past four months and was told today that due to lack of office support in the Oklahoma State Office that my case has not even been processed yet. They said that they could sympathize with my plight, but due to cutbacks on office personnel they are unable to help me and will probably need to wait several more months -- how long was uncertain....Everyone tells me that the laws have changed...but I lack to see what has changed [sic]....The process of justice is too slow for my growing daughter."

These resource inadequacies will be exacerbated by gradual reductions in federal matching funds for state child support enforcement efforts, scheduled to begin in FY 1987, that the Administration sought and obtained from Congress.

THE AFDC PROGRAM IS INADEQUATE TO MEET THE NEEDS OF POOR FAMILIES

Families that do not have enough income to meet their needs must, as a last resort, rely on income support provided by the government. But the chief government income support program for poor children, Aid to Families with Dependent Children (AFDC), has many problems that prevent it from doing this job as effectively as an income maintenance program should. AFDC does not help all poor families, provides less help than it should to those who do qualify, in some cases acts as a disincentive for two-parent families to form or to stay together, and provides little help to families trying to move toward self-sufficiency.

For fifty years AFDC has been the major source of federal cash assistance for low-income families with children. In 1984, 3.7 million families, including 7.1 million children, depended on AFDC for minimal income support. The program's total cost is shared by the federal government and the states (on average, 54 and 46 percent, respectively). A number of less affluent states bear a smaller share themselves and get a larger portion of the cost from the federal government.

Contrary to a widely held misperception, AFDC consumes an extremely small portion of the overall federal budget. In 1985 the cost was $8.6 billion, or less than 1 percent of total federal government expenditures. Its spending is dwarfed by other domestic income maintenance programs such as the Social Security program ($172 billion in 1985) and the military personnel and retirement programs and veterans compensation and benefits ($98 billion).

In 1983, 3.7 million families received AFDC. About 66 percent, or 7.1 million of the 10.8 million recipients in these families, were children; 41.7 percent were white, 43.9 percent were black, and 11.7 percent were Hispanic. More than 90 percent of the families were headed by single women, with an average of 1.9 children per family. Nearly three-fourths of the families had just one or two children. More than 60 percent of the families included children younger than six years old; 38.3 percent had children younger than three. Sixty-one percent of the mothers or other caretakers were twenty-five or older. Fewer than 40 percent were high school graduates.

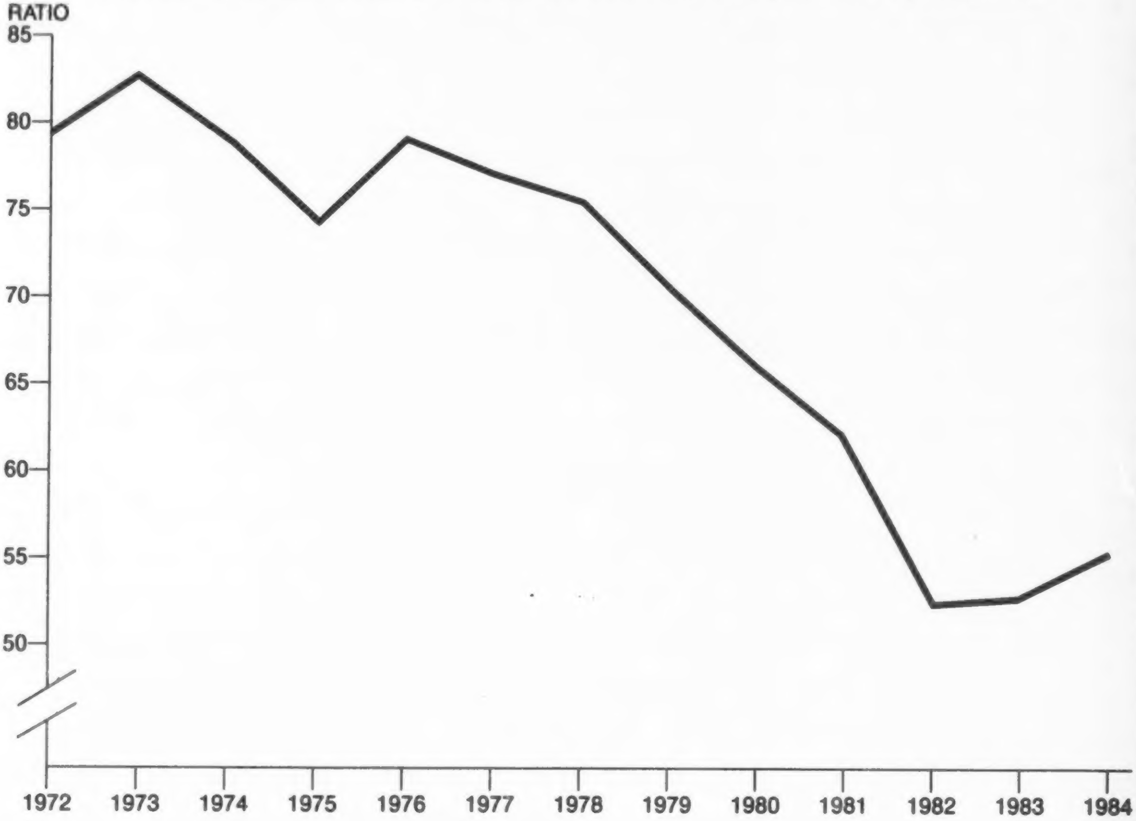
The majority of families begin receiving AFDC because of a change in family structure -- divorce, separation, desertion of a parent, death or absence of a parent, or birth of a child. This is because of the program's eligibility rules: families must be raising children, and, in half the states, generally must include only one parent to qualify. Contrary to public belief, however, AFDC benefits have been found to have virtually no impact on childbearing decisions among young unmarried women. On the contrary, some of the states that pay the lowest AFDC benefits have the highest rates of out-of-wedlock births.

Almost half of the families who leave AFDC also do so because of a change in family structure. In about one-third the parent marries; others no longer have children younger than eighteen. Generally, however, families who leave AFDC, including those who leave due to increased earnings, continue to be poor.

Because of these changes in family circumstances, very few childen grow up on welfare. Although one out of every four American children receives AFDC at some point in his or her childhood, only 4 percent of all families receive as much as half of their income from AFDC during the period they are raising their children.

While some families must rely on AFDC for their survival for long periods of time, a national study found that a family's need for AFDC assistance is often brief. Half stay in the program for less than two years. In Massachusetts the average stay is for two years, and 55 percent of the AFDC families stay on welfare less than one year. In Tennessee one-third have been receiving aid for less than a year.

Number of Children Receiving AFDC per 100 Children in Poverty, 1972-1984 (fiscal years)



STATE-DETERMINED AFDC BENEFIT LEVELS LEAVE FAMILIES UNABLE TO MEET THEIR BASIC NEEDS

The amount children receive while on AFDC is determined by each state. A state decides how much families need (the AFDC need standard) and decide separately how much of that to pay families. Although the need standard is supposed to be the amount of money required to reach a minimum standard of living in a given state, the standards in thirty-six states are less than 75 percent of the federal poverty level. Further, states do not have to pay the equivalent of this need standard. The actual benefit payments in thirty states fall below their own standards of need. Payments were less than 75 percent of the standard of need in twenty-one states in January 1985.

Because payments vary from state to state, the amount of money an AFDC family gets varies considerably, depending on the place of residence. But because standards of need are so low and payment levels are even lower, AFDC families almost invariably live on incomes far below the poverty level.

In August 1985, the national average monthly AFDC payment per family was only $344.97. The average payment per recipient was $117.70, or only $3.87 per day.

Benefits vary according to family size. If another child is born, almost invariably the additional grant is so small that it cannot support that child and drains the already inadequate resources that can be used to support the other family members. Alabama, for example, pays about $30 a month for an additional child; Florida pays about $40; Illinois pays about $60. It is little wonder that mothers on AFDC have only one-fourth the number of babies while they are on welfare as other women do.

The maximum AFDC benefit for a family of three in January 1985 was less than 50 percent of the poverty level in thirty-three states. A family with a mother and two children received $4.54 a day in Tennessee, $6.48 a day in Kentucky, and $12.26 a day in Kansas. According to federal poverty guidelines a family of three needs $24.25 per day for poverty level subsistence.

The inadequacy of benefit payments has been worsening steadily because almost no state regularly adjusts AFDC benefits for inflation. The level of real AFDC monthly benefits fell by 33 percent in the median state between July 1970 and January 1985.

The situation is not much better when, as is the case for most AFDC families, food stamps are added to the family's income. The combination of AFDC and food stamp benefits still falls below the federal poverty level in every state, and in January 1985 was less than 75 percent of the federal poverty level in forty-one states.

Nor do families usually have any significant income or benefits from other sources. Although all AFDC families are eligible for Medicaid, it can be used only to reimburse providers for medical care received. Fewer than one of four AFDC families received any form of housing assistance in 1984. In FY 1984, child support collections were made for only 10.5 percent of AFDC families, even though AFDC recipients must assign all of their support rights to the state. AFDC families currently can keep only the first $50 of support collected.

AFDC families cannot significantly supplement their meager benefits with earned income. This is not because many AFDC parents do not want to work, or do not find work. It is because the program's rules make it extremely hard for a family to receive even a reduced AFDC grant if a parent works even if the wages leave the family well below poverty.

It wasn't always this way. Prior to 1981, a working parent whose earned income was low enough could still get an AFDC supplement, usually equal to the state's AFDC payment level minus a certain share of his or her income. Each month, the parent was able to keep the first $30 and one-third of the remainder of earnings -- an incentive to obtain and keep work.

In 1981 Congress and the President passed a law limiting the duration of this work incentive disregard to four months and changing the way the disregards are applied. While a 1984 law restored the $30 disregard (but not the one-third) for an additional eight months, the cutback in the disregard and the new AFDC eligibility rules make it very unlikely that a family with a parent working at a very low-paying job will get an AFDC supplement.

Another special rule (passed in 1981) also makes it harder for families to work and get AFDC. Under this measure, a family whose non-AFDC income exceeds a certain percentage of the state's standard of need cannot get AFDC, even if the child care and work expense deductions from income that AFDC allows leave it with a net income well below the AFDC payment level in the state. In 1981 this percentage was set at 150 percent of the need standard. In 1984 it was changed to 185 percent, and a number of states have raised their need standards to mitigate the impact of the arbitrary federal ceiling. However, in fourteen states, the 185 percent cap makes even a part time minimum wage worker with two children automatically ineligible, regardless of the amount of income lost to child care and other work-related expenses. In twenty-four states, even the 185 percent figure was below the poverty line in January 1985.

Thus, virtually every family on AFDC faces a daily struggle to meet its children's basic needs for food, clothing, and shelter with minimal government support. Families survive day-to-day, often falling behind on rent or utility payments, turning to charity providers for food at the end of the month, rarely buying even used clothing, and trying to get small school fees waived. Surviving on AFDC is itself virtually a full-time job.

These families have no margin to cope with crises or emergencies. Although states can participate in the federal Family Emergency Assistance Program to provide emergency aid to AFDC recipients and other needy families with children, twenty-five states do not. Those that do are not allowed to help a family for more than one month in a twelve-month period. In the states that have the program, only 33,000 families were assisted by it in August 1985, a significant decline from the 49,000 per month aided in 1981.

AFDC ELIGIBILITY RULES IN MANY STATES MAKE MOST TWO-PARENT FAMILIES INELIGIBLE

Regardless of how poor they are, children in almost all two-parent families are ineligible for AFDC in twenty-five states. (The sole exception is two-parent families where one parent is incapacitated).

States have had the option since 1961 of extending coverage under AFDC to two-parent families where parents are unemployed, but only twenty-five states and the District of Columbia do so. In September 1984, the nationwide AFDC-Unemployed Parent (AFDC-UP) program served 258,000 families nationally -- only 7 percent of all AFDC families.

In the twenty-five states without AFDC-UP programs, intact families, even if they have no income at all, can at best get help through limited general assistance programs financed at the state or local level. More often, however, poor children in these intact families are denied any cash assistance, and often health coverage under Medicaid as well. If all states operated AFDC-UP programs, it is estimated that 100,000 additional families would become eligible for benefits.

In the states without AFDC-UP programs, children are ineligible for assistance unless their families break up -- and, sadly, many do. Data from states that have eliminated this program show a dramatic increase in the percentage of families that then join the regular AFDC rolls as single-parent families.

- Washington state discontinued its AFDC-UP program in February 1981. In the next seventeen months, 38.2 percent of former AFDC-UP families became eligible for regular AFDC benefits -- in most instances because there were no longer two parents in the home. This was triple the rate that became eligible for AFDC when the AFDC-UP program was still operational.

- Missouri found that 27 percent of AFDC-UP cases that had been closed after the program's suspension in 1981 were reopened as regular AFDC cases at some point in the next fourteen months.

- Nine months after Iowa eliminated its AFDC-UP program, 30 percent of the former AFDC-UP families became eligible for regular AFDC benefits, 73 percent of them because a father was no longer in the home.

Concern over this impetus to family break-up in other states helped prompt the reinstatement of the AFDC-UP program in Washington, Missouri, Iowa, and Oregon since 1982.

Even in states that do provide AFDC to two-parent families, stringent eligibility requirements make it hard for many to qualify. If a family's breadwinner works more than ninety-nine hours a month the family is automatically ineligible, no matter how low its income.

A further requirement is that families must show a relatively recent attachment to the work force, with the principal wage earner having received unemployment insurance in the past year or having worked six or more quarters during a thirteen-quarter period. This excludes from the program those particularly poor families with parents who have not been able to get into the work force.

The work history requirement is particularly difficult for young parents to meet. Recent high school graduates who cannot get jobs in the terrible youth employment market would not be eligible, even though they have children and are married. If the parents do not marry and the father is not present in the home, the mother and child can get regular AFDC benefits. The program's gaps therefore are particularly likely to discourage family formation among young parents.

RECENT CUTBACKS HAVE CAUSED A SUBSTANTIAL EROSION IN AFDC ELIGIBILITY AMONG NEEDY FAMILIES

In recent years, as unemployment has increased and poverty rates have shot up, more families would have been expected to be able to turn to AFDC as their last resort. Instead, participation rates in the AFDC program actually have decreased. In 1978, more than seventy-six children were on AFDC for every 100 poor children in the country. In 1984, that proportion had dropped to more than fifty-five per 100 poor children. The 1983 Survey of Income and Program Participation conducted by the Census Bureau found that 62 percent of families living in poverty had never received AFDC.

In large part, this decrease has resulted from significant new restrictions on AFDC eligibility imposed during the past five years. The U.S. General Accounting Office (GAO) estimates that the 1981 changes in the AFDC program's rules reduced the national monthly AFDC caseload by 442,000 families. These changes have had an especially severe impact on certain groups of poor families.

- AFDC recipients with earned income were especially hit by changes that made it harder for very low-paid workers to stay on AFDC and get small supplements. Typically the mother was working full time at a very low wage job with no private health insurance coverage. Although the majority kept working, they experienced substantial real income losses even though they were working as many hours as workers in the general population. Median losses ranged from $109 to $189 monthly. Many also lost food stamps.

- Families were not able to make up the substantial drops in real incomes that occurred when AFDC eligibility was lost. Eight percent of the families were still below the poverty line one and a half to two years later. Many also lost Medicaid benefits and had no private health insurance. In states with low AFDC benefits, the GAO found that more than half of the families that lost AFDC had no health insurance coverage. Between 14 and 24 percent of those who lost AFDC reported that they were refused or did not seek necessary medical care because of their inability to pay. Between 32 and 44 percent of these families also had gas, phone, or electricity service shut off.

- Youths in AFDC families who are eighteen or older and struggling to complete high school or vocational training programs but not expected to graduate by age nineteen are no longer eligible for AFDC. Prior to 1981, more than two-thirds of the states provided AFDC to students living at home until they turned twenty-one. Approximately 172,000 eighteen- to twenty-year-olds in AFDC families were enrolled in school in March 1979. Beginning in 1981, federal law cut off federal help to many such children and their families. Now eleven states terminate aid at age eighteen; forty states continue aid to age nineteen for full-time students who are expected to graduate at that age. Only a handful use their own funds to continue assistance to age twenty-one. Older children often are forced to drop out of school or training programs to try to earn what they can to support themselves, rather than to continue as a drain on their family's resources.

- Pregnant women with no other children are no longer eligible for AFDC prior to the sixth month of pregnancy. Before 1981, thirty of the states provided AFDC to pregnant women throughout their pregnancy even if they had no other children. Currently fewer than ten states provide cash assistance with state funds throughout the pregnancy. Twenty-six states begin AFDC in the sixth month of pregnancy and seven later in the pregnancy, but eighteen states provide no AFDC at all to such women. This means that the women may have no cash income and are at great nutritional risk during pregnancy. And even though these pregnant women are technically eligible for Medicaid for prenatal and other health care, they are unlikely to get it. Studies show that those who are

> not receiving AFDC are four times less likely to receive Medicaid. This is because AFDC recipients are unaware that they can get Medicaid even though they are not AFDC-eligible, and therefore they don't apply.

Additional AFDC program cuts made in 1984 have threatened family stability severely. In a shift from past policy, the AFDC program now requires every child in a household (except disabled children receiving Supplemental Security Income or those who are step-siblings) to be counted in calculating AFDC benefits. This even includes a half-sibling who is receiving child support payments a court legally has restricted for that child's use alone, and siblings who are receiving other income such as benefits under the Social Security survivors or disability programs. Because such siblings' income now must be counted to reduce the family's grant, this change threatens either to damage family relationships or to result in substantially reduced support for all of the children.

Another 1984 change has had a particularly devastating effect on young parents and families struggling to stay together. This change requires that a grandparent's income be counted as available to a grandchild when the child and his or her minor mother live in the same home as the grandparent, regardless of whether that income is in fact available to help. This causes much hardship in low-income families in which the grandparents help take care of grandchildren so teenagers can stay in school, or provide similar support, but do not have sufficient income to share. As a result of this short-sighted provision, some teen parents living with their own parents have lost their AFDC grants (and Medicaid) or moved out on their own.

> Mrs. K is an eighteen-year-old mother with two children ages four months and twenty-two months. For a while she lived on her own but she returned to her parents' home because of health problems that both she and her younger child experienced after that child's birth. Mrs. K and her two children receive AFDC. She had not been able to return to school because of her health problems, but had hopes of doing so in the spring of 1986. Since December 1985, however, Mrs. K's parents' income from their employment wages and disability pension has been counted as available to meet her monthly needs and those of her two children.

> This cuts off her AFDC. But her parents cannot begin to support her family on the mere $25 they actually have left after they pay bills and necessary expenses. The law arbitrarily assumes they can give a much larger amount to their grandchild. To survive economically, Mrs. K is preparing to leave her parents' home, a move that diminishes the likelihood that she can resume her education and better her chances of becoming self-sufficient.

TRAINING AND EMPLOYMENT OPPORTUNITIES ARE INADEQUATE FOR THOSE WHO WANT TO MAKE THE TRANSITION FROM WELFARE TO WORK

Any effective program to help more AFDC recipients make the transition from welfare to work must respond realistically to their employment potential, their needs, and the realities of their living situations.

Based on 1979 data (the most recent available), roughly 4 percent of all adults in AFDC families are incapacitated or taking care of incapacitated relatives. Sixty percent have not graduated from high school, sharply diminishing their job prospects, and at least one in four has no prior work experience. An Educational Testing Service study in 1983 found that among AFDC recipients required to register for the Work Incentive program (WIN) training and work placement program, three in five had math skills below the eighth or ninth grade level and nearly half had reading skills below this level -- results that further document the need for education and training services. Finally, 61 percent of AFDC parents in 1983 had children younger than six, and 38 percent had children younger than three. If AFDC mothers with young children are to participate in work programs, adequate child care must be provided.

A substantial segment of the AFDC population does have the potential to move from welfare to work and eventual self-sufficiency. But these recipients can do so only if they are given adequate help through training and employment programs, transitional child care, and health insurance assistance. In an attempt to meet their needs the federal government established the WIN program in 1967. Its rules require that all members of AFDC families who are sixteen years of age or older (with some exceptions) register for WIN and accept placement either in training programs or jobs. Exceptions include those already working at least thirty hours a week, parents with children younger than six, those caring for disabled persons in the household, and those who are ill or incapacitated themselves.

Due in large part to the weak federal commitment to this program, WIN's performance during the late 1960s and 1970s was a disappointment. Federal support for WIN fell far short of the levels necessary to serve even a majority of those required to register for the program. As a result, most states provided training and employment services to only a small fraction of AFDC recipients. The effectiveness of WIN was hampered further by coordination problems at federal and state levels, where authority to administer the program was divided between employment and human service agencies.

Research evidence from training and employment programs suggests that AFDC parents want to work and will work if they receive the training they need and have the opportunity to secure decent jobs. A decent job need not be a high-paying job. But it certainly is not a job that leaves an AFDC family worse off than it was before because the job pays the minimum wage or less with no prospect for advancement while forcing AFDC parents to sacrifice essential health and child care for their children.

As a result of the structure of the AFDC program and changes made in 1981 in the availability of AFDC and childcare assistance, the work disincentive faced by many welfare recipients is extremely high. Earnings reduce the AFDC grant virtually dollar-for-dollar. In addition the recipient must pay federal taxes, as well as child care expenses if the state (because of cuts in the Title XX program) has limited its child care services. If the family loses Medicaid coverage but receives no health insurance through the job, its net income after taxes and child care and health care costs could fall well below already inadequate AFDC payment levels. To really encourage AFDC recipients to make the transition from welfare to work, we must make it possible for all workers to support themselves and their families through employment and assure that the wages and benefits they receive are an incentive to work.

Some states have taken positive first steps to assist the transition to work. By providing child care assistance and medical help if needed (often through the medically needy component of the Medicaid program), states have sought to lessen the work disincentives faced by AFDC recipients. Many states also have attempted to place AFDC parents in jobs that will pay more than the minimum wage -- at least after some reasonable period of time -- to improve their chances for eventual self-sufficiency. Much of this state-level activity has been supported through more creative uses of federal WIN funds. However, many states also have chosen to invest additional resources (beyond the state matching funds required under WIN) in employment and training programs that develop job skills and offer AFDC recipients the hope of moving into better jobs.

The most effective welfare-to-work programs make intensive investments in vocational training, remedial education, and supervised work experience for AFDC recipients. Good programs -- such as those now under way in Massachusetts, Maryland, and Maine -- include individualized assessments of participants' employment needs, and also remove potential barriers to employment by providing adequate child care and other supportive services. The Massachusetts "ET: Choices" program also has successfully involved AFDC recipients in planning their own transitions from welfare to work, bolstering their voluntary participation and personal commitment to the program.

Ironically, while states have shown renewed interest in improving welfare-to-work initiatives, the Reagan Administration repeatedly has threatened to remove their base of financial support by eliminating the federal WIN program. Since 1981, WIN funding has been reduced by 40 percent, including a cut from $267 million in FY 1985 to $220 million in FY 1986. For five consecutive years, the Administration has sought to end all federal support for WIN, but Congress has rejected these proposals repeatedly.

As an alternative to WIN's emphasis on training and employment assistance, the Reagan Administration has sought adoption of traditional "workfare" programs that require welfare recipients to work off their grants in public sector work assignments. Typically such programs determine the number of hours of required work by dividing the amount of a recipient's welfare benefit by the minimum wage. There is clear evidence that "workfare" does nothing to improve participants' job skills, help them find work, or even give them the dignity of a paycheck for the work they perform. Further, it may end up costing taxpayers more.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

In his State of the Union address in early February, the President pledged to "create a ladder of opportunity to full employment so all Americans can climb toward economic power and justice on their own." But his FY 1987 budget offers no additional help for the many families that cannot provide adequate income to meet their children's most basic needs.

The Administration's proposals do not respond to the problems keeping so many families from becoming self-sufficient: inadequate levels of employment and earnings, and meager protections against the impact of joblessness. Despite continuing high unemployment, the FY 1987 budget includes no job creation initiative and even reduces federal support for job training through the Job Training Partnership Act. Instead of raising the minimum wage to compensate for inflation since 1981, the President proposes a new subminimum wage for youths that would further undermine the earnings of families. Further, the budget does nothing to strengthen the unemloyment insurance system, which now reaches only one in three unemployed workers.

The plight of many low-income families will be worsened by the President's FY 1987 proposals to restrict AFDC eligibility, reduce employment and training assistance for recipients who want to make the transition from welfare to work, and weaken federal child support enforcement efforts.

AFDC Eligibility and the Transition from Welfare to Work

The President's 1987 budget includes proposals for direct benefit reductions of $373 million in FY 1987 and reduced support for those on AFDC who are struggling to work and become less dependent on the federal welfare program. In legislation accompanying the budget, the President also is proposing to repeal a longstanding requirement that all AFDC parents, caretaker relatives, and dependent children be offered family planning services. The provision that he wants to repeal, if implemented appropriately, might limit pregnancies and thus enhance recipients' opportunities for self-sufficiency.

While ostensibly pursuing an evaluation of welfare programs to find ways by which families can "escape the spiderweb of dependency," the President proposes taking away some of the most crucial supports that help AFDC recipients become independent of welfare.

Some of the changes proposed in the Administration's budget, many of which previously have been rejected by Congress, include:

- Eliminating the Work Incentive (WIN) Program but mandating that all employable applicants for and recipients of AFDC engage in job search and work-related activities. Ironically, while states have shown renewed interest in improving welfare-to-work initiatives, President Reagan again has threatened to pull out their base of support by eliminating the $220 million federal WIN program. In its place, the Administration is proposing what it calls the Work Opportunities and Welfare (WOW) program. This proposal would require states, within three years, to have 75 percent of all employable applicants and recipients participating in job search and other work activities. Benefit reductions of $252 million in FY 1987 are expected to result from these requirements.

- Although the proposal does not mandate "workfare," the community Work Experience Program is one of the work activities states could develop. States also could operate work supplementation, grant diversion, and on-the-job training programs under the WOW proposal and receive a 50 percent federal match. However, education and training activities that address major barriers to employment among AFDC recipients and that currently are supported under WIN would not be reimbursable under WOW.

  The budget includes only $200 million for this work initiative in 1987, despite the fact that limited resources available under the WIN program have severely restricted its success in the past. The proposal requires a dramatic expansion of the proportion of eligible recipients participating in work programs, while providing fewer federal dollars to serve each individual. As a result, it is likely to force many participants into meaningless job search or work experience programs without regard to their individual skills or need for skills, or employment prospects. The impact of these reduced training opportunities would be intensified by the President's proposal to cut funding for the Job Training Partnership Act $43 million below FY 1986 appropriated levels.

- In figuring a family's grant, eliminating the needs of an employable parent or other caretaker when the youngest child reaches sixteen and limiting the definition of "essential persons." The part of this proposal that would end a parent's AFDC when the youngest child reaches sixteen was previously rejected by Congress three years in a row. It is based on the assumption that the adults involved are free from child care responsibilities and can obtain employment. It ignores, however, that many of these caretakers are likely to be older and less employable than those they must compete with in the labor market, especially if remedial education and job training are not provided. Under current law, if a mother has a job, her income is treated as available to her family and benefits are reduced accordingly. If she is unable to find work, there is no justification for ignoring her needs and leaving her penniless. The reduction in benefits estimated to be achieved by this proposal is more than double that of a year ago. The proposed savings of $101 million will result in part from an accompanying proposal to limit the definition of "essential persons" to those needed in the home to care for a child or incapacitated adult. "Essential persons" refers to those otherwise not eligible needy individuals who can be included in the AFDC grant because they are essential to the well-being of the family.

- Denying assistance to minor parents not living with their parents. This proposal, rejected by Congress the past two years, would deny AFDC to a never-married minor parent, with a few exceptions, unless the minor parent is living with his or her own parents. The Administration hopes to save $20 million in FY 1987 by cutting an estimated 10,000 very young mothers and their children off AFDC. This would hurt not only minor mothers living independently but also minor mothers living with other extended family members or in foster homes or congregate care settings. The Administration asserts that this proposal will discourage minor parents from leaving home to claim AFDC. It ignores the fact that another Administration proposal enacted in 1984 that required "grandparent deeming" has in fact forced some young mothers to leave home because their parents could not fully support them. The combined effect of these proposals would be to reduce or deny assistance to many teenage mothers regardless of where they live.

The President's budget also includes proposals that would penalize states with unusually high AFDC administrative costs and phase out the higher federal matching rate for statewide data systems development.

Child Support Enforcement

The President's FY 1987 budget would hamper effective implementation of the Child Support Enforcement Amendments of 1984. The proposals reduce outlays for child support enforcement from $770.5 million in FY 1986 to $729.5 million in FY 1987. The reduction in the federal matching rate for state administrative costs would be accelerated, dropping to 66 percent in 1987 rather than in 1990 as scheduled currently. The 90 percent federal matching rate for computerization would be reduced to 75 percent in 1988 and 1989, even though Congress and the Administration recognized in the 1984 law the importance of automated systems to monitor child support payments and to trigger enforcement procedures (including wage withholding) promptly when payments fall behind.

These proposed reductions in the federal matching rate come shortly after the October 1985 deadline for state implementation of the 1984 amendments. States will receive less federal reimbursement for staff and record-keeping systems at the same time they are being required to provide more services to more families in need of child support with already inadequate numbers of staff. Child support enforcement efforts also are threatened by cuts under Gramm-Rudman. Federal funding for child support enforcement will fall by $31.8 million in FY 1986 under the scheduled Gramm-Rudman cut, reducing the federal matching rate for state administrative costs from 70 percent to 66.65 percent and reducing the matching rate for computerization from 90 percent to 85.69 percent.

CDF RECOMMENDATIONS

A long-term agenda to improve the ability of families to meet their basic needs must address the underlying causes of poverty in

America: insufficient opportunities to work, wage levels that are inadequate to support even small families, and a system of income supports that fails to help large numbers of persons who are temporarily out of work or who face more long-term barriers to employment.

Substantial federal investment in job creation efforts must be a cornerstone of long-range initiatives to lift families out of poverty. With nearly 8 million Americans actively looking for work but unable to find a job, as well as many others who would work if adequate jobs and assistance were available, the expansion of employment opportunities is the most effective mechanism for raising family incomes and promoting self-sufficiency. The federal government must resume its responsibility for job creation, abdicated under the Reagan Administration.

More immediate steps also must be taken to enhance the ability of families to support their children through earned income. An increase in the minimum wage to $4.25 per hour, as proposed in the Children's Survival Bill, would restore the real purchasing power it provided in 1981; for example, it could lift a family of three with a full-time earner out of poverty. This simple action would dramatically bolster the self-sufficiency of millions of American workers who already have demonstrated their commitment to support their families through their earnings.

To help many of the 3 million families depending on public income support for basic survival move toward self-sufficiency, work incentives should be established that do not reduce benefits dollar for dollar as income rises. The lessons learned from good welfare-to-work programs also should be embodied in federally supported work efforts. These successful programs are responsive to the individual needs of those served. They include an array of appropriate education and training services that make welfare recipients more employable, along with adequate support services such as health insurance and day care to enable recipients to move into jobs. They have started small, tackling the employment problems of voluntary participants and gradually moving toward a more comprehensive system to help recipients move into the labor market through intensive investments in remedial education, skills training, and structured work experience.

The Children's Survival Bill, as a first step, outlines a comprehensive education and training program targeted on the many single mothers on AFDC with young children. Other similar legislation currently is pending in Congress. The comprehensive program would include:

- An individualized assessment and plan for each young mother that addresses her unique educational, employment training, and supportive services needs.
- A strong remedial education program that will help each mother, where appropriate, obtain a high school diploma or equivalent.
- A meaningful program of job counseling, peer support, employment readiness, and job placement that ensures not only the necessary skills for long-term employment but the confidence necessary to function and remain in a job.
- The range of supportive services, including but not limited to appropriate child care, health care, and transportation, that are necessary to enable the young mother to participate effectively in the program.
- Transitional services, including child care and medical assistance, to help a young mother and her family progress from the education and training program to full participation in the work force.

Immediate steps also must be taken to provide for the basic needs of children living in families without adequate income. Further, this assistance must be provided to children in a way that does not discourage the formation of two-parent families. In the short term, the Children's Survival Bill would require all states to provide AFDC to poor two-parent unemployed families, and proposes changes in the eligibility rules for the two-parent program to help make more young parents eligible for assistance. Further proposed changes would make it easier for teens in AFDC families to stay at home to complete high school or vocational training programs. The bill also proposes to remove current AFDC program requirements that penalize young mothers living with their extended families as they struggle to support their children and achieve self-sufficiency.

Regardless of where they live, families who must rely on income support provided by the government must be assured income adequate to meet their basic needs. The Children's Survival Bill proposes a phased-in plan that will increase the income assistance available to these families. The AFDC program must ensure a minimum level of subsistence for all children and their parents, as must any new welfare reform initiative. Accordingly, the Children's Survival Bill requires states to adjust their need standard to reflect the real cost of living, and would provide incentives to states to bolster the purchasing power of AFDC benefits by increasing them to reflect cost-of-living increases. It also would require that, beginning in FY 1990, all eligible families receive combined AFDC and food stamp benefits at a level at least equal to 75 percent of the federal poverty level, a basic first step toward meeting families' needs.

Many children in single-parent families stand to gain from a commitment of the federal, state, and local resources necessary to ensure vigorous implementation of the Child Support Enforcement Amendments of 1984. Adequate, reliable child support payments can help families meet some of their basic subsistence needs, but achievement of that goal is not yet within reach. To get there, states must not only actively implement improved enforcement mechanisms, but must set higher requirements for levels of support provided, and intensify efforts to establish paternity for children born out of wedlock.

AFDC: FUNDING AND BUDGET REQUEST, FY 1987

	FY 1987 Current Policy (millions)	FY 1987 Proposed Level (millions)	Change Proposed in Level (millions)	Percent Change in Level
AFDC & Child Support	$9,211.0	$8,933.0	$-278.0	-3.0

8. Taxes and Poor Families

Jane and John Doe have two young children. John works full time and earns $11,500 -- an annual income just a few dollars below the current poverty line for a family of four.

Like many poor families struggling to support their children, the Does are worse off today than they were five years ago. John has been fortunate enough to maintain steady employment throughout this period, and has received cost of living increases in his paycheck each year. All of the family's essential expenses have increased these last few years, but none nearly as much as their federal tax bill. If their costs are typical, the Does' rent has gone up 50 percent since 1979, their medical expenses by almost 60 percent, but their federal taxes increased 800 percent between 1979 and 1986.

Although John makes only poverty-level wages, the Does must pay nearly 11 percent of their income, or $1,221, in combined federal income and Social Security taxes this year. In 1979, they paid only 1.8 percent of their income in combined federal taxes, although that year they also earned poverty-level wages.

Federal taxes have contributed substantially to deepening the family's poverty each year, taking a larger and larger share of their meager income. Like the hypothetical Doe family, millions of poor working American families are in immediate need of tax relief. These families have a big stake in the tax reform efforts pending before the Congress of the United States.

Federal tax policy is currently the focus of national debate. Not only are the working poor subject to an excessively large and growing federal tax burden, but the wealthy are protected by endless tax loopholes and shelters.

The federal income tax system historically has been progressive, meaning that tax burdens generally increase with one's ability to pay. Since 1981, however, the system has become significantly less progressive, as tax changes enacted that year provided much greater relief to the wealthy at the expense of low- and moderate-income families. A recent Urban Institute report indicates that the 40 percent of American families with the smallest incomes now are paying proportionally more of their income in taxes, while affluent families are paying less. The changes in the federal tax system are contributing to the widening gap between the rich and the poor in the United States.

The U.S. Congress now is considering various tax reform proposals that could begin to remedy these inequities. Last year, the President proposed a tax reform package that took some significant steps toward tax relief for the poor. In December 1985, the House of Representatives approved tax reform legislation that would provide substantial tax relief to millions of poor and near-poor working families. In a context of rising child poverty and restricted government supports, tax reform may be the single most significant anti-poverty effort in many years.

FEDERAL TAXES ON FAMILIES IN POVERTY

Many Americans assume that the poor do not work or pay taxes. Neither is true. While the poverty rate continues at twenty-year highs, a growing proportion of poor families are struggling for self-sufficiency through employment. Despite their hard work, however, government tax policies operate to keep them poor and to impoverish them further.

Census data reveal that the ranks of the working poor -- those who do not take home enough income to lift them from poverty -- have swelled dramatically since 1979. The number of able-bodied poor people working full time has increased by 54 percent. Fully 80 percent of able-bodied men who head poor households with children work full time, as do about half of all poor mothers with children older than six.

Despite increasing employment among families in poverty, their economic plight still worsens. The median income for all American families, in constant 1984 dollars, declined from $28,029 in 1979 to $26,433 in 1984, a drop of almost 6 percent. But the median income for families in the lowest two quintiles declined much faster in proportional terms: from $14,024 to $12,489, a drop of 11 percent.

As a recent report by the congressional Joint Economic Committee stated: "Families with children are working harder to hold the line but for the most part are not making it. By far the biggest loss in income for most families with children came between 1979 and 1985." This loss has been amplified by the skyrocketing federal tax burden on lower-income families during the period.

The large burden the federal tax system has increasingly placed on those least able to pay -- working families in poverty -- is one of that system's most glaring inequities. Not only are more families with incomes at or below the poverty level paying larger shares of their incomes in federal taxes, but hundreds of thousands of families with earnings just above the poverty line actually are pushed into poverty each year when federal taxes are taken out of their paychecks.

Today's federal tax policies are anti-family and anti-child, hurting all types of families in or near poverty. Approximately half of all poor households now are paying federal income taxes, Social Security taxes, or both. The number of poor households paying federal income taxes tripled between 1979 and 1983.

Not only are more poor families paying taxes, but their taxes are dramatically higher. Families with children have seen the federal tax burden increase as a share of their income by 200 percent to 500 percent since 1979.

- A traditional two-parent family of four with poverty-level earnings of $7,412 paid $134 in combined federal taxes in 1979, or 1.8 percent of its income. This year, the same family with 1986 poverty-level earnings of $11,508 will pay $1,223 in combined federal taxes, or approximately 10.6 percent of its income. Its federal tax burden as a proportion of its income has increased by a whopping 450 percent.

- A single-parent family of four with the same poverty-level earnings has been subjected to an equally harsh federal tax hike, from $288 in combined taxes in 1979 (3.9 percent of its income) to $1,369, or 11.9 percent this year.

- A large poor family also suffers at the hands of federal tax policy. A poverty-level family of six, for example, paid more than $669 in 1979, or 6.7 percent of its income, while the same family must pay $1,725 -- or 11.2 percent -- in 1986.

This growing tax burden on working poor families is a radical departure from the traditional tenets of tax fairness. Until 1981 it was recognized that families with earnings at or below the federal poverty line are unable to shoulder the expenses of federal income taxes. Therefore, previous Congresses and Presidents generally exempted the poor from paying these taxes. In 1979 families of four did not begin to pay federal income taxes until their earnings were more than 16 percent above the poverty line. Further, low-income working families with children were provided an offset against a portion of their federal Social Security taxes through the Earned Income Tax Credit (EITC).

Congress and President Reagan failed to continue this protection for the poor when they revised the tax laws in 1981. As a result, by 1986 the income tax threshold -- the point at which families begin to pay income tax -- had dropped to more than 16 percent below the poverty line. As the following table indicates, the tax threshold will continue to fall unless changes are made in the tax laws.

Federal tax policies in recent years have greatly harmed not only the working poor, but families with pre-tax earnings a little above the poverty line. A recent congressional analysis measured the impact of federal taxes on the poverty rate. It shows that while federal tax policies were responsible for pushing 696,000 members of families with children from above the poverty line to below it in 1979, by 1984 tax policies more than tripled the damage, increasing the number of persons in such families pushed into poverty to 2,147,000. Using after-tax income to measure the number of poor people, the federal government in five years impoverished about 1.5 million additional children and their parents just through its tax policy. The children in this group don't show up in "official" poverty counts, but nonetheless they are poor.

Relationship Between Poverty Level and Income Tax Threshold for a Family of Four, 1975-1988

Year	Poverty level (family of four)	Income tax threshold	Percentage by which tax threshold falls below (exceeds) poverty level
1975	5,500	6,692	(21.7)
1976	5,815	6,892	(18.5)
1977	6,191	7,533	(22.0)
1978	6,662	7,533	(13.1)
1979	7,412	8,626	(16.4)
1980	8,414	8,626	(2.5)
1981	9,287	8,634	7.0
1982	9,862	8,727	11.5
1983	10,178	8,783	13.7
1984	[1]10,612	8,783	[1]17.2
1985	[1]11,003	9,437	[1]14.2
1986 (present law)	[1]11,502	[1]9,573	[1]16.8
1987 (present law)	[1]11,990	[1]9,739	[1]18.8
1988 (present law)	[1]12,491	[1]9,909	[1]20.7

[1] Estimated

Source: "Federal Tax Treatment of Individuals Below the Poverty Level," Hearings, Joint Committee on Taxation, June 1985.

ELEMENTS OF THE FEDERAL TAX SYSTEM THAT AFFECT THE POOR

Federal taxes on the working poor consist primarily of Social Security taxes (also called FICA or payroll taxes) and federal income taxes.

The Social Security tax is a flat tax (set at 7.15 percent in 1986) on all earned income up to $41,000, when the tax stops. Congress and the President have boosted this tax rate several times in recent years. It has more than doubled since 1960, when it was 3 percent.

The Social Security tax is regressive in that it takes a substantially greater proportion of the income of poor and moderate-income families than it does from the well-to-do. For example, the worker earning $12,000 a year pays 7.15 percent (or $858) on his or her entire income, whereas the upper-income individual earning $100,000 pays less than 3 percent of his or her income (7.15 percent on the first $41,000, but zero on the other $59,000).

The federal income tax system is more complex, but the amount of federal income taxes paid by low-income workers generally is determined by three important tax provisions: the personal exemption, the standard deduction (or zero bracket amount, as it is now called), and the Earned Income Tax Credit).

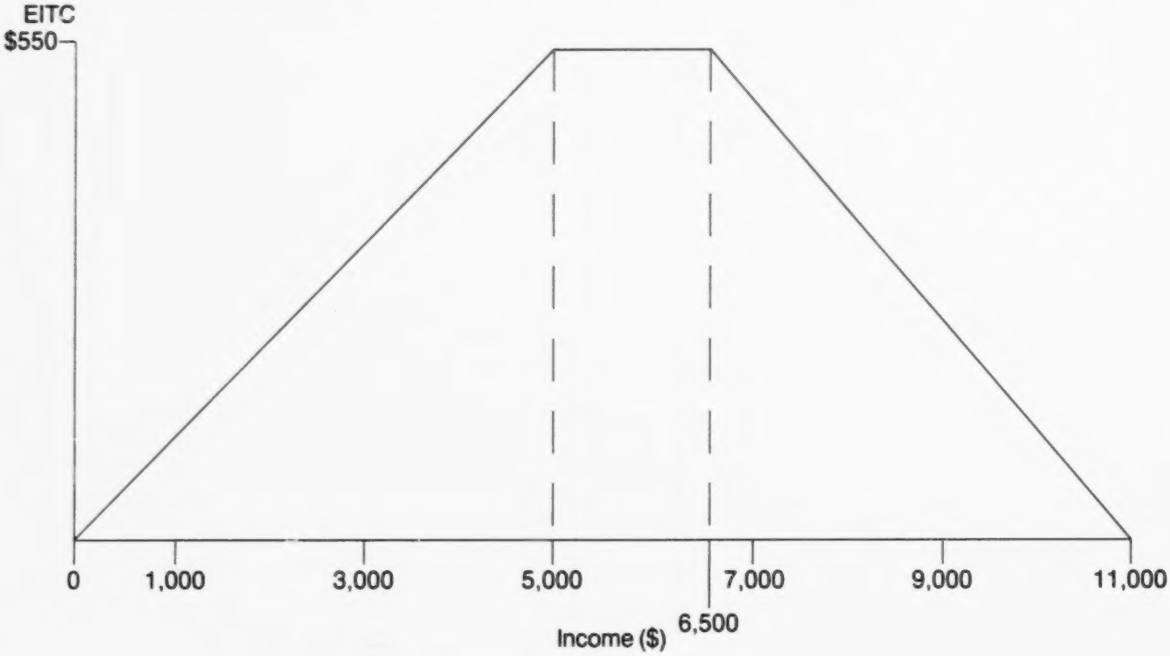
The first, the personal exemption, was set at $1,000 for each taxpayer and each dependent for several years, but now is tied to inflation ("indexed"), and rose to $1,040 in 1985 and $1,080 for 1986. All taxpayers, regardless of income, generally are allowed to subtract from their gross income the amount of the personal exemption multiplied by the number of dependent persons in the family. Thus the personal exemption is the principal tax provision that makes an allowance for family size.

A second provision is the standard deduction, now called the zero bracket amount (ZBA). Like the personal exemption, it has been increased modestly through indexing since 1984, and for 1986 is set at $2,480 for individual taxpayers and single heads of households, and $3,670 for a married couple filing jointly. The appropriate amount is subtracted from the income of all taxpayers who do not itemize their specific deductions. Under current tax policies, approximately half of all taxpayers will use the standard deduction in 1987, including more than 80 percent of those with incomes of $20,000 and less. Conversely, approximately 94 percent of upper-income taxpayers, earning $75,000 and more annually, do not use the standard deduction because they itemize.

The third and most important tax provision for low-income working families with children is the Earned Income Tax Credit (EITC). Initially put into place in 1975, at a time when most families in poverty were exempt from federal income taxes, the EITC was designed primarily to offset a portion of the Social Security taxes of low-income families with children, thus providing them with a further incentive to work.

Low-income taxpayers whose earnings are less than $11,000 a year and who have dependent children are eligible for the EITC. The amount of the credit for each eligible family is determined by a sliding scale based on income, with the maximum credit set at $550:

Amount of Earned Income Tax Credit (EITC) Allowable for Families with Children, at Different Income Levels



The EITC is subtracted from the income tax that otherwise would be paid by the family. If the EITC exceeds the amount of income taxes owed, Internal Revenue Service (IRS) refunds the difference to the family, and that amount, in effect, offsets Social Security taxes.

The following table shows the federal tax calculations for a poverty-level two-parent family of four in 1979 and 1986:

Tax Calculation for Family of Four at Poverty Line

		1979	1986
1.	Income	$7,412	$11,508
2.	Personal Exemption (Subtract)	-4,000[1]	- 4,320[2]
		3,412	7,188
3.	Standard Deduction (Subtract)	-3,400	- 3,670
4.	Taxable Income	12	3,518
5.	Tax Rate	14%	11%/12%
6.	Tax Liability (Line 4 Multiplied by Line 5)	$2	$400
7.	EITC*	-322	not eligible
8.	Total Income Tax	-320 (refunded)	400
9.	Social Security	454 (6.13% of income)	823 (7.15% of income)
10.	TOTAL FEDERAL TAXES (line 8 Plus Line 9)	$134	$1,223

*EITC determined by formula based on income.

[1] (4x1,000)
[2] (4x1,080)

Congress and the President enacted one of the largest tax cuts in history in 1981. Federal taxes on working families in poverty, however, have increased since that time, and by substantial amounts. This happened because federal policymakers specifically neglected to provide relief to poor families by adjusting the tax provisions that are critical to them. Families with incomes at the poverty line are paying taxes on a much larger share of their income (see line 4 of the Tax Calculation table), if their incomes merely keep pace with inflation. Tax rates indeed were cut by the 1981 tax act (line 5 of the Tax Calculation table), but the rate reductions for families with incomes at the poverty line were far more than offset by the failure to increase the personal exemption, standard deduction, and EITC. Very small adjustments in these provisions became effective in 1985, but they were not nearly sufficient to make up for the damage of not increasing them for several preceding years. The lower a family's income, the more nominal was the relief it received from the rate cut passed in 1981, and the greater was the damage caused by the failure to adjust the exemption, deduction, and EITC. The higher a family's income, the more important a factor was the rate cut, and the more irrelevant the failure to adjust these three items. The well-to-do got large tax cuts; the wealthy got huge ones.

Unless the tax provisions most important to low-income families are significantly and immediately adjusted, the federal tax burden on working families in poverty will continue to rise. While the personal exemption and standard deduction now are scheduled to rise with inflation, the EITC is not, so the tax threshold falls further and further below the poverty line. A greater number of poor families will have to pay federal income taxes, and low-income families will pay a higher proportion of their incomes each year. Only significant adjustments -- beyond merely indexing for inflation -- in the personal exemption, standard deduction, and EITC can fix the damage to the poor from the tax policies of 1981 to the present.

THE DECREASING BURDEN OF FEDERAL TAXES ON PROFITABLE CORPORATIONS AND THE WEALTHY

The federal tax system's treatment of working families in poverty contrasts vividly with the prevailing policies toward profitable corporations and wealthy individuals and families. Lucrative tax loopholes, tax shelters, and tax subsidies allow a privileged few to escape paying anywhere near their fair share of the tax burden required to support our nation's government. This situation has seriously compromised the integrity of the federal tax system, undermining public support and compliance as well as our ability to finance the basic services of government that we need, and contributing to the large deficits.

Revenue to support the federal government in recent decades has come primarily from income taxes on individuals and corporations. Throughout the 1950s and 1960s, American corporations paid about one-quarter of all federal revenue. By 1985, however, the share of federal revenue resulting from the corporate income tax fell to 8 percent. This dramatic drop resulted from federal tax policies, many enacted in the tax bill of 1981, that created new tax loopholes and vastly expanded existing ones. Corporate tax expenditures -- or loopholes and shelters as they are more commonly known -- now cost the federal government approximately $120 billion in lost revenue each year -- an amount that is more than half the budget deficit. In fact, it is estimated that the federal government now loses more revenue as a result of all tax breaks for corporations than it collects in taxes paid by corporations.

The tax code literally is riddled with tax loopholes and tax shelters, ranging from allowable deductions for virtually all business meals and entertainment expenses, no matter how lavish or tangentially related to business, to huge special tax breaks for particular industries, such as oil, timber, and defense. Deductions for business meals and entertainment expenses alone cost the federal government more than $3 billion in lost revenue a year. The U.S. Treasury Department estimates that one-third of all baseball tickets and half of all hockey tickets are subsidized by the federal government through this deduction. One recent advertising brochure published by Prentice-Hall, Inc., described the contents of a series of tax guides for executives and professionals on the myriad ways these loopholes can be stretched:

> "Deductions for your Spouse's Expenses -- [The Executives Tax Letter] points out why it may be a good idea to take your spouse along to help on business trips -- gives simple yardsticks that determine when you can deduct the extra expenses for travel, food, and lodging -- tells how you can probably deduct more than your half of the total cost even when your spouse is just along for personal reasons...
>
> "Dolling Up Your Office? -- A Tax Court ruling points the way to the best tax-saving avenue for executives who take it upon themselves to add some extra class to their office decor -- beyond what is provided for them. See the Report for how you can nail down big deductions for these out-of-pocket expenses...
>
> "How a few more days business use of your country club could pay off in an easy $723 deduction."

The 1981 tax law also greatly expanded two corporate loopholes through which the Treasury has lost tens of billions of dollars in foregone taxes and outright subsidies. The legislation's Accelerated Cost Recovery System and Investment Tax Credit provisions speeded up the period in which corporations may deduct from their income for tax purposes ("depreciate") the cost of investments in machines and buildings, and further, provided them tax credits for the purchase of new equipment.

The tax avoidance possibilities for corporations now enable many to operate tax-free, despite huge profits. Citizens for Tax Justice, a tax research organization, surveyed federal taxes on 275 major profitable American corporations between 1981 and 1984 and published these results:

- One hundred twenty-nine of the corporations, or almost half, paid absolutely nothing in federal corporate income taxes, or received money from the tax system by selling their extra loopholes, in at least one of the four years from 1981 to 1984.
- Fifty of the 275 corporations, with combined profits of $56.8 billion, each paid a net total of zero or less in federal income taxes over the entire four-year period.

- Nine large corporations -- Boeing, ITT, General Dynamics, Transamerica, Grumman, First Executive Corporation, Mitchell Energy and Development Corporation, Greyhound, and Lockheed -- paid no corporate income taxes or received extra money through the tax system in every one of the four years from 1981 through 1984.
- The ten companies with the largest net gains from selling tax loopholes during the 1981-1984 period earned $25.1 billion before federal income taxes and another $1.4 billion after tax.

Along with corporations, wealthy individuals have been the chief beneficiaries of recent tax policies. They received the biggest break from the tax rate cut passed in 1981. And special tax shelters and deductions have been tailored to the wealthy, allowing them to escape their fair share of taxes through investments in real estate partnerships and oil and gas drilling schemes, for example. The special tax treatment of long-term "capital gains" income allows individuals with these gains who have incomes of more than $200,000 a year to save an average of $53,000 per year on their tax bills, according to Citizens for Tax Justice. While the tax burden for the Doe family and millions of other low- and moderate-income American families rose, the wealthy got huge tax breaks.

- Families earning $80,000 a year received almost $30,000 in tax cuts between 1982 and 1985.
- Nearly 30,000 households with annual incomes of $250,000 or more paid less than 5 percent of their income in federal income taxes in 1983.
- More than 3,000 households with annual incomes exceeding $1 million paid less than 5 percent of their income to the IRS in 1983.

CDF'S TAX REFORM RECOMMENDATIONS FOR FAIRNESS AND TAX RELIEF FOR WORKING FAMILIES IN POVERTY

Real tax reform is long overdue. Fairness must be restored immediately to the federal tax system. Not only must tax loopholes be plugged and tax shelters limited so that wealthy individuals and corporations will once again pay their fair share, but full and appropriate tax relief must be provided to low-income working families to ease the extra hardship imposed upon them by our federal tax system in recent years. Two basic goals have been endorsed by a broad spectrum of tax experts and policymakers:

- All families with incomes at or below the poverty level should be exempted from federal income taxes.
- A substantial portion of the Social Security payroll taxes on working poor families should be offset.

These goals, if achieved, will do no more than restore these families to their 1979 tax status. Our nation must consider further tax strategies to assist the growing number of families in poverty that cannot provide their children with basic necessities despite their long hours of hard work.

Exempt All Families in Poverty From Federal Income Taxes

The traditional exemption of families in poverty from the payment of federal income taxes historically has been achieved through a combination of the personal exemption and the standard deduction (or zero bracket amount). The failure to adjust these provisions sufficiently to compensate for inflation from 1979 to 1984 was a primary cause of the growing tax burden on the poor. While an inflation index for these provisions began in 1985, an additional substantial increase in one or both is required to make up for their lost value in the earlier years in order to exempt the working poor from income taxes.

Personal exemption: The value of the personal exemption (currently $1,080) has been eroded greatly by inflation, harming all families with children. An increase in the personal exemption is therefore a necessary reform.

A large increase in the personal exemption has been proposed by many. A $2,000 exemption often is discussed. Such an increase would be less targeted on poor families than other possible changes, and would be very costly because every taxpayer and dependent gets an exemption, irrespective of need. Moreover, the exemption helps higher income taxpayers more than others because it reduces tax liability for them by a greater dollar amount. Increasing the personal exemption by $920 to $2,000, for example, would save an affluent taxpayer in the 50 percent bracket $460 a year and a low-income worker in the 11 percent bracket about $100. Thus, a large increase in the personal exemption is an inefficient and costly method for bringing tax relief to low-income taxpayers.

Some increase in the exemption, however, is appropriate because it is especially helpful to larger families with higher subsistence costs. CDF therefore recommends a more modest increase in the personal exemption (to a level of between $1,500 and $1,800), and that money that otherwise would be spent on a greater exemption increase go into tax law changes more specifically beneficial to low- and moderate-income working families and children. Greater emphasis should be placed on a larger increase in the standard deduction.

Standard deduction: The standard deduction (or zero bracket amount) currently is set at $2,480 for individuals, $2,480 for heads of households (generally single parents with children), and $3,670 for married couples filing jointly. It is used only by non-itemizing taxpayers, who tend to be primarily from low- and moderate-income households. Lower income families generally cannot take advantage of the special deductions tailored to those with higher incomes who don't use the standard deduction. It is estimated that 94 percent of taxpayers with incomes of $10,000 a year or less use the standard deduction, while only 2 percent of those with incomes of $200,000 or more do so.

Like the personal exemption, the value of the standard deduction has been eroded by inflation since its last major adjustment in 1979, contributing greatly to the tax increases for poor families. A substantial increase in the standard deduction is necessary to help the working poor. This form of tax relief is also efficient and targeted, since it bypasses many of the high-income taxpayers who received the benefits of the 1981 tax changes. CDF recommends that the standard deduction be increased to a level sufficient, when coupled with an increase in the personal exemption, to exempt all families in poverty from federal income taxes. CDF recommends a standard deduction for families in the range of $5,500 to $6,000.

CDF further recommends that the standard deduction be raised to the same amount for all families with children. This would end the inequitable tax treatment of single-parent families. Currently, the standard deduction for single heads of households is lower than that for married couples. Since 1975, single parent families have been forced to bear an even heavier federal tax burden than two-parent married families of the same income and family size. For example, under current law a family consisting of a woman and three children would pay $153 more in taxes on poverty level earnings in 1987 than a two-parent family with two children and the same income. This unfairness is particularly onerous because families headed by single parents -- usually females -- are among our most economically distressed and vulnerable population groups, tending to have lower incomes and thus to be most likely to use the standard deduction.

Restore the Value of the EITC to Offset Social Security Taxes Paid by Families in Poverty

The EITC is the single most important tax provision for low-income working families with children. Any tax initiative designed to ensure tax fairness and relief to the poor should focus primary attention on this credit. According to its original sponsor, Senator Russell Long (D-LA), the EITC is necessary to provide tax relief to those who are "too poor to pay income tax, but who still pay Social Security tax." Just as the personal exemption and standard deduction no longer exempt the poor from federal income taxes, inflation has robbed the EITC of its effectiveness as an offset of a substantial portion of the Social Security taxes of poverty level families with children. Total EITC benefits have declined 54 percent since 1979. As families' wages have increased because of inflation, they have climbed beyond the level where the unadjusted EITC level helps. Despite the peak poverty rate in 1983, close to 1 million fewer families received the EITC that year than in 1979. EITC participation and benefits will continue to drop in the future unless immediate adjustments are made.

CDF recommends that eligibility for the EITC be adjusted to include families earning up to $16,000 per year in 1986, with the maximum credit increased on a sliding scale to $800. In addition, we recommend that the EITC be indexed for inflation. In combination with an increased personal exemption and standard deduction, this change would restore the original purpose of the credit as a significant offset against Social Security payroll taxes for the poor. It would make up for most of the lost value in the credit since 1979, and, by providing for it to be indexed for inflation, would protect it against future erosion in value. Approximately 10 million families would benefit, almost twice the number the EITC currently helps.

Additional Tax Strategies to Assist Working Poor Families With Children

Certain families need the tax system to recognize their special circumstances. Two key groups are larger families and those families with significant child care costs.

Adding a dependent allowance to the EITC: The amount of the EITC a given family receives varies only according to its income, not its size. Larger families have larger expenses, however. For example, in 1986 the poverty line for a family of three will be about $8,978, while for a family of five it will be $13,631. Both families initially pay Social Security taxes of 7.15 percent. But because the cut-off for EITC eligibility is $11,000, the family of three with poverty level wages receives a significant rebate of its Social Security taxes; the family of five, with its poverty level wages making it no better off before taxes, is worse off after taxes because it receives no EITC whatsoever. The EITC needs an allowance to compensate for family size so that it does not discriminate against larger poor families.

The Children's Survival Bill would add to the EITC a $100 dependent allowance for each additional child. While this change would not completely eradicate the tax differential imposed on larger families, it would significantly ease the tax burden of the neediest.

Improving the Dependent Care Tax Credit: The Dependent Care Tax Credit is a critical source of child care assistance for working families with children. It is available to all families with child and dependent care expenses, with the amount of the credit determined by a sliding scale percentage based on income and then applied to actual child care expenses (see Chapter 16). A family's federal taxes are reduced dollar for dollar by the amount of the credit.

Although the Dependent Care Tax Credit helps many families, it is of very limited value to those with the lowest incomes. This is because some families may have a small tax liability or no liability against which to apply the credit. If the credit amount exceeds a family's tax liability, there is no mechanism to pay the family the difference. In such cases, the credit simply becomes useless to those who need the most help. In addition , the lowest income working families often cannot use the credit because they lack the initial funds to pay for child care expenses.

Access to affordable child care is essential to enable parents, particularly single parents, to work. Yet, as the number of poor children in need of child care assistance has grown, federal funding to provide direct assistance to help poor families get this needed service has dropped.

To help low-income families defray child care costs, CDF recommends that the Dependent Care Tax Credit be expanded, indexed, and made refundable, as proposed in the Children's Survival Bill, the Economic Equity Act, and other bills pending before the 99th Congress. This would mean that a family entitled to a credit larger than its income tax bill would be paid the difference, making additional assistance available to the family for child care expenses.

TAX REFORM PROPOSALS NOW UNDER CONSIDERATION

The widely acknowledged need for tax reform has spurred the development of numerous proposals aimed at revising our federal income tax system. Encouragingly, every major income tax reform proposal recognizes the unfair tax burden on low-income working families and offers these Americans significant, if varying, levels of relief. Through increases in the personal exemption and standard deduction, the proposals generally exempt most poverty level working families from federal income taxes. Some provide modest improvements for the poor and near-poor in the EITC's scope of relief from the Social Security payroll tax.

The President's tax reform proposal, issued in May of 1985, made important first steps toward reducing the federal tax burden on poor families. But it fell short of repairing the additional hardship that our tax system has imposed on these families since 1979.

The Tax Reform Act of 1985 (H.R. 3838), passed by the House of Representatives in December 1985, builds upon the President's plan and offers more tax relief to poor families.

By substantially increasing the personal exemption, the standard deduction, and, most critically, the EITC, the legislation would fulfill the major goals of exempting all families in poverty from federal income taxes and offsetting a significant portion of their Social Security taxes. H.R. 3838 would provide efficient, targeted tax relief for the poor, and protect against future federal tax increases on these families by indexing key provisions. Specifically H.R. 3838 would:

- Raise the federal income tax threshold above the poverty line for all families with children.
- Remove more than 6 million poor and near-poor taxpayers from the federal income tax rolls entirely.
- Reduce the total federal tax burden on those earning $20,000 a year and less by nearly $30 billion over the next five years.

All types of working families with children living at, below, or just above the poverty level would benefit greatly from H.R. 3838. It would provide tax relief to both traditional two-parent married families and single-parent families, while narrowing disparities in their tax treatment. As indicated on the following chart, a married two-parent family of four with poverty level wages of $12,000 in 1987 would save $870 next year, reducing its federal tax burden from 11 percent of its income to 3 percent. A single-parent family of four with the same poverty level wages would save $1,023 in federal taxes next year -- dollars a single mother desperately needs to help support her children.

FEDERAL TAXES FOR FAMILIES IN POVERTY
CURRENT LAW AND H.R. 3838 (1987)

	Two-Parent Family of Four at Poverty Line ($12,000)	Single Head of Household Family or Four at Poverty Line ($12,000)
1987 Taxes Under Current Law	$ 1,271	$ 1,424
	($858 Social Security) ($413 Income Tax)	($858 Social Security) ($566 Income Tax)
Percent of Income	11%	12%
H.R. 3838	$ 401	$ 401
	($858 Social Security) (-$457 Income Tax)	($858 Social Security) (-$457 Income Tax)
Percent of Income	3%	3%
Tax Savings Under H.R. 3838	$870	$ 1,023

H.R. 3838 would achieve these goals through the following key provisions affecting low-income families:

- The expansion of the Earned Income Tax Credit extending eligibility to families earning up to $16,000 a year. The maximum credit available to families earning between $5,000 and $9,000 in 1987 would be approximately $760. The EITC also is indexed for inflation in future years.
- The increase in the standard deduction to $2,950 for individuals, $4,200 for heads of households, and $4,800 for married couples filing jointly.
- The increase in the personal and dependent exemptions to $2,000 for all taxpayers who use the standard deduction, and to $1,500 for those who itemize their deductions.

The Tax Reform Act of 1985 as passed by the House of Representatives restores tax fairness both through substantial relief to the poor and by closing numerous loopholes that allow wealthy individuals and corporations to avoid their share of federal taxes. The tax debate now moves to the U.S. Senate, where the Committee on Finance must consider tax reform during 1986.

9. Food Assistance

Children cannot survive, thrive, and develop without adequate food and nutrition. The denial of adequate sustenance can threaten a child's health in many different ways, directly and indirectly. First, malnutrition can compromise a pregnant woman's health and lead to maternal anemia or even toxemia, a potentially fatal condition for the woman. Second, poor maternal nutrition can cause a baby to be born prematurely and at low birthweight, which is the major cause of infant death. Third, nutritional deprivation in newborn babies can lead to cognitive and other developmental deficiencies, delayed or stunted growth, and weakened resistence to infection. Hunger also increases a child's vulnerability to environmental poisons like lead.

Most American families can afford to protect their children from health damage by providing them with a diet that meets their nutritional needs. But recent data show that a growing number of America's poorest families and their children are forced to forgo the most basic necessity of life: adequate food.

After a decade of progress in reducing hunger and malnutrition in America, these problems reemerged in the 1980s. In the past year alone, a series of new surveys and studies have provided fresh evidence that the crisis continues to worsen.

- In January 1986, the U.S. Conference of Mayors released the results of a survey of twenty-five large American cities. It found that in twenty-four of the cities, overall requests for emergency food assistance increased during 1985, on average by 28 percent. In all but two of the cities, the number of families with children requesting emergency food aid rose in 1985, by an average of 30 percent. The survey also found that in two-thirds of these cities some emergency food facilities turn people away because they cannot meet the need. Twenty-two of the cities expect the demand for emergency food help to increase in 1986.

- The Physician Task Force on Hunger in America released two major reports in 1985 further documenting the resurgence of hunger. The Physician Task Force estimated that about 20 million Americans experience hunger at some point each month. Malnutrition now affects almost 500,000 American children, according to the report.

- Similar findings were reported in 1985 by the Food Research and Action Center, which found a 17 percent increase in requests for food among approximately 300 emergency food providers responding to a national survey.

- Yonkers, New York officials told the U.S. Conference of Mayors that 84 percent of the people using the Hudson Place Soup Kitchen report that they miss meals because of lack of money -- missing more than twenty-nine meals each month, on average.

The fact that a major hunger problem exists in the United States is widely accepted. In 1984, even President Reagan's own cautious Task Force on Food Assistance declared that hunger is now "a significant problem throughout our nation."

One of the clearest and most disturbing manifestations of our nation's hunger problem is the growing evidence of nutrition-related health damage among poor children. In its report, the Physician Task Force points out that tracing the health damage done by hunger in this country is a far more complex task than measuring the tragedy of mass starvation in Ethiopia, for example. "Instead of a single clear-cut outcome -- starvation leading to death -- we have to look for a multiplicity of outcomes that may result from mild or moderate malnutrition," the report said. To begin to develop a national epidemiology of hunger, the doctors examined statistics on birth outcomes among poor women. They point out that prematurity and low birthweight can be caused by poor maternal health and nutrition. Both outcomes are on the rise nationwide.

Local reports have turned up further evidence of adverse health effects caused by hunger.

- In a major study issued in late 1983, the Massachusetts Department of Public Health found that 10,000 to 17,500 poor children in that state suffered stunted growth, largely due to chronic malnutrition. Nearly one in five low-income children studied in the survey was either stunted, anemic, or abnormally underweight.

- Similarly, a study based on an examination of medical records at Cook County Hospital in Chicago found that between summer 1981 and summer 1983 the number of children admitted for failure to thrive, diarrhea, or dehydration (all conditions frequently linked to inadequate nutrition) increased by 24 percent. Follow-up studies found that 30 percent of all children coming to the hospital's emergency room had abnormally low rates of growth, and that half of these "low-growth" children suffered from inadequate diets.

The increasing problem of hunger affecting many families and children is yet another symptom of poverty. One of every five children in America today is living below the federal poverty level. Not only are more children poor, but the poor are poorer. The percentage of poor children with family incomes below 50 percent of the poverty line rose from 34.9 percent in 1979 to 42.2 percent in 1983. Incomes for the poor are down in part because the minimum wage has fallen 25 percent behind inflation between 1981 and 1986. And many more workers are earning wages that leave them in poverty.

Cutbacks in government income maintenance and other basic programs for low-income families since 1980 have reduced further the resources poor families have available for food. Only about 30 percent of all jobless workers now receive unemployment insurance in the average month, compared to more than half in the latter part of the 1970s. As a result of reductions in low-income housing programs, 4 million low-income families living in public and subsidized housing now must pay a larger share of their incomes for rent. Aid to Families With Dependent Children (AFDC) benefits have lagged behind inflation. Medical care costs more for some poor families due to cutbacks in Medicaid funding, and taxes are taking a substantially larger portion of earnings from low-income families, leaving less money to feed a family.

FEDERAL FOOD PROGRAMS HAVE HELPED REDUCE HUNGER AND ITS ADVERSE HEALTH EFFECTS

The reemergence of hunger is particularly tragic because it is utterly unnecessary. Unlike other, more intractable social ills, our nation knows how to solve this problem and has done so before. During the decade between the end of the 1960s and the late 1970s, government programs to feed the needy -- including Food Stamps, school lunch and breakfast programs, and the Special Supplemental Food Program for Women, Infants, and Children (the WIC program) -- significantly alleviated hunger and malnutrition in the United States.

- Every ten to fifteen years, the U.S. Department of Agriculture (USDA) conducts a nationwide survey of household food consumption that provides a wealth of data on the nutritional status of Americans. The survey results clearly demonstrate the effectiveness of the food programs.

  Between 1965 (when one survey was conducted) and 1977-1978 (when the most recent survey was conducted), the nutritional gap between low-income Americans and the rest of the population narrowed significantly. This is precisely the period when federal food programs -- and particularly the food stamp program -- were created or expanded. No series of events other than the emergence of food stamps and other food aid programs can account for most of the marked improvement in nutrition that occurred during this period.

- Research conducted on the health impact of the WIC program proves its effectiveness. The WIC program has been found to have a major impact on reducing the incidence of low-weight births. Major new research funded by the U.S. Department of Agriculture and issued in January 1986 also found direct links between WIC and a reduction in late fetal deaths, decreases in the rate of premature births, increases in the proportion of poor pregnant women seeking prenatal care, increased head circumference of infants born to women receiving WIC during pregnancy, and improved diets for women, infants, and children. The research also indicated possible links between WIC and improved cognitive development in children. An article in the New England Journal of Medicine last fall presented evidence indicating that WIC also reduces anemia.

- A major evaluation of the school lunch program, issued by USDA in 1982, found that school lunches improve the nutritional status of school children, with the greatest improvement among low-income children.

MANY POOR FAMILIES AND CHILDREN ARE LEFT UNSERVED BY FEDERAL FOOD PROGRAMS

Despite these successes, a large unmet need for food assistance remains. During the Reagan Administration's tenure, federal food programs have been cut dramatically, leaving large numbers of needy persons unserved by these programs or receiving inadequate benefits.

Food Stamps

The largest federal food program for the poor, the food stamp program, which helps nearly 20 million Americans defray the costs of buying food, was cut $6.8 billion from FY 1982 through FY 1985, including $1.9 billion in FY 1985 alone. Despite the Administration's claims that it has protected the truly needy, approximately two-thirds of its cutbacks in the food stamp program were achieved by reducing benefits for households living in poverty. A significant part of the remaining savings came from such measures as terminating benefits for families whose gross incomes were more than 130 percent of the poverty line but whose disposable incomes (after subtracting taxes, work expenses, and part of their disproportionately high rents and utility bills) fell to below-poverty levels.

In sum, the budget cuts since 1980 pushed several hundred thousand recipients off the program, while close to 20 million other recipients saw the purchasing power of their benefits reduced.

In December 1985, Congress enacted some modest restorations in the food stamp program, amounting to about $100 million a year. While these restorations, scheduled to take effect on May 1, 1986, should alleviate the effects of several damaging cuts enacted in 1981, more than 90 percent of the cuts remain in place.

Independent of these cuts, food stamps are failing to reach millions of poor Americans, or roughly one-third of those who are eligible. Eleven million to 13 million Americans not now receiving food stamps are eligible to do so and fit the Administration's definition of truly needy, according to the President's Task Force on Food Assistance.

The gap between those served by the program and those who need it has widened substantially in recent years. Between 1980 and 1985, the number of persons below the poverty line jumped from 29.3 million to an estimated 33 million to 34 million. Yet despite the addition of approximately 4 million persons to the ranks of the poor, food stamp participation was no higher in 1985 than it had been in 1980. Only 19.2 million persons participated in September 1985, the lowest level in more than five and a half years (since January 1980). As a result, a lower proportion of poor people today are getting help from the program. In the average month of 1985, only fifty-nine persons received food stamps for every 100 persons in poverty. In 1980, the ratio stood at sixty-eight persons receiving food stamps for every 100 in poverty.

A variety of factors are contributing to this decline in food stamp coverage. As noted, some households were terminated or made ineligible for the program by eligibility restrictions enacted in 1981 and 1982. Some needy Americans with incomes below the poverty line, especially the newly unemployed, may be ineligible due to restrictions on the assets a family can have and still be eligible. These restrictions have become progressively more severe because they have not been adjusted for inflation for years. While the new food stamp legislation enacted in December 1985 will, at long last, result this spring in some modest upward adjustment in the assets limit, the adjustment will offset only about one-fifth of the effect of inflation on the food stamp assets limit since 1971.

Another reason food stamps are not reaching all who need them is that many eligible Americans fail to apply for them. Extensive research, drawing from a well-known University of Michigan survey of low-income families, has found that more than half of eligible persons who do not participate either mistakenly think they are ineligible or do not know that they are eligible. The research suggests that lack of information about eligibility is one of the single most important reasons that many needy Americans do not participate. Modest government attempts to address this problem ended in 1981 when Congress adopted proposals by Senator Jesse Helms (R-NC) to terminate all federal funding for "outreach" efforts to inform eligible poor people about food stamps, and to abolish the requirement that states conduct such outreach.

The lack of coordinated government efforts to inform the poor about food stamp eligibility has made it more likely that more of them will go hungry. For example, the same Massachusetts health department study that found up to 17,500 stunted children in Massachusetts also found that 32 percent of those low-income children surveyed who were eligible for food stamps were not receiving them.

Finally, even those who do receive food stamp benefits are frequently unable to meet their nutritional needs. Households receiving food stamps, with average gross incomes of $4,300 a year and average cash assets of $58, have had less money to spend on food and other essentials in recent years. USDA data show a steady decline in the incomes of food stamp households, when adjusted for inflation, since at least 1975. Congressional Research Service data show that from 1970 to 1985 AFDC benefits, on which many food stamp families depend, plummetted more than 35 percent after adjustment for inflation.

In addition, many food stamp recipients, being outside the work force, are not helped by improvements in the economy. Two of every three food stamp recipients are low-income children or elderly or disabled persons. Poor children alone constitute nearly half of all the recipients.

A further reason that many food stamp recipients still are struggling to meet their basic nutritional needs is the inadequacy of the program. Food stamp benefits are based on the cost of the thrifty food plan, the Agriculture Department's least expensive "bare bones" food plan. This food plan is itself inadequate: USDA's own studies have shown that five of every six families whose food expenditures equal the cost of the thrifty food plan fail to obtain the Recommended Daily Allowances for basic nutrients.

Child Nutrition Programs

In addition to cuts in Food Stamps, the four basic child nutrition programs -- the school lunch, school breakfast, child care food, and summer food programs -- were reduced 29 percent from FY 1982 through FY 1985. Funding for these programs was cut by more than $5 billion during this four-year period.

As a result of the deep reductions in child nutrition programs enacted in 1981, the number of children receiving school lunches each day fell by about 2 million, after adjusting for changes in school enrollment. The number of low-income children receiving free or reduced-price lunches dropped by close to 700,000.

The school lunch cuts were made largely by lowering the level below which families' incomes must fall in order for their children to qualify for free or reduced-price lunches, and by cutting back on federal contributions to support the lunch program. While the largest dollar amounts cut affected middle-income children, the steepest cuts in percentage terms came in federal support for reduced-price lunches served to near-poor children. This led to a substantial drop in the number of near-poor children receiving these lunches. And because the government reduced support for the lunch program, some schools (possibly up to 2,000) dropped the program, leaving their low-income students without access to free meals in many cases.

Cuts in the school breakfast program, a more modest program serving about 15 percent of the number served by the school lunch program, also had significant effects. The program experienced a decline of several hundred thousand children. A majority of these were low-income children who no longer receive school breakfasts.

Federal funding reductions also hurt the Child Care Food Program, which helps defray the cost of meals provided to children who are in day care. Nearly $130 million a year was cut from federal support for meals served to children in day care centers and homes. Meals provided to children in day care settings are now limited to two meals and one snack each day, regardless of the time the children actually spend in day care (which can exceed eight hours a day). The combined effects of these and other cuts in federal support programs for low-income day care facilities, including the reductions in the Social Services Block Grant, have forced some day care facilities to close and some others to raise the fees they charge low-income parents. Still other initiatives have reduced the number of children in care or lowered the quality of care provided.

Cuts also resulted in sizable reductions in the summer food program, which continues the school lunch program in some low-income areas during summer months when school is out. All summer food programs that previously had been operated by churches and religious organizations, YMCAs and YWCAs, boys' and girls' clubs, settlement houses, and similar nonprofit organizations were terminated. Only programs run by school systems or local governments were allowed to remain in operation. The result was the termination of summer lunches for approximately 400,000 low-income children.

WIC

One program that has not been cut during the Reagan years, despite Administration efforts, is WIC. But it still reaches only a minority of the low-income infants, young children, and pregnant and nursing women at nutritional risk who are eligible to receive its prescription food supplements and nutrition counseling. Congress has provided for some growth in WIC, although the Administration has on several occasions attempted unsuccessfully to hold back some or all of the funds provided to reach additional persons. The program is still under-funded and reaches only 3.2 million people, or fewer than half of those who are eligible. WIC is not an entitlement program and can reach only as many poor women, infants, and children as its annual appropriation permits. More than 100 U.S. counties have no WIC program at all; many other counties maintain waiting lists and have to turn away many eligible mothers and children.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

The Administration's new budget contains a sweeping array of proposals for new reductions that would cut more than $1 billion a year from food assistance programs. If enacted, the proposed reductions would impose new hardships on many poor children.

Food Stamps

The President proposes:

- Repealing all of the modest food stamp benefit restorations enacted in December 1985 as part of the new farm bill. The legislation passed in late 1985 contained $100 million to $200 million a year in restorations, which equalled about 5 percent to 10 percent of the amount cut from food stamps in the early 1980s.

Among the casualties would be a substantially improved child care deduction as well as other benefit adjustments for working poor families, a slight benefit increase for families with especially high shelter costs, and a modest increase in the food stamp assets limit. The Administration proposes to roll back each of these.

Because the food stamp assets limit had not been adjusted for inflation in fifteen years, Congress last year passed a modest increase from $1,500 per family to $2,000. This was less than the $2,250 for which President Reagan's own Task Force on Food Assistance had called. The President now wants to return the assets limit to the $1,500 level first set in 1971.

- Cutting food stamp benefits for many poor households that receive low-income energy assistance payments to help them pay their heating bills.

- Cutting food stamp benefits for poor households in which an unemployed person is enrolled in a training program under the Job Training Partnership Act and receives a needs-based stipend or allowance to help meet his or her costs during the training program.

- Reducing federal support for state costs in operating the food stamp program. This would be done in several ways -- through substantially increased sanctions on states with error rates greater than 5 percent and through reduced federal contributions for certain state administrative costs. The likely effect of reducing federal support or state operations would be to erode services to clients in some areas. In other areas, these measures would be likely to squeeze overall state welfare department budgets, making it difficult for states to keep AFDC benefit levels close to inflation.

Child Nutrition

President Reagan proposes:

- Terminating all federal support for school lunches and breakfasts (as well as meals in day care centers and homes) served to children from families with incomes of more than 185 percent of the poverty line (now $19,700 for a family of four). This almost certainly would result in thousands of schools dropping out of the school lunch program, because many schools would conclude that it was no longer economically feasible for them to operate the program. When schools drop out of the program, the poor children in attendance lose free school lunches. For many day care centers, as well, this proposal would mean a loss of funds and a further squeeze on operating budgets.

- Instituting a "means test" in the portion of the child care food program operated in family day care homes. This would increase paperwork requirements significantly for small day care homes, which typically are run by a mother caring for several young children. A substantial number of day care homes, including homes that serve poor children, would be likely to drop out of the program as a consequence.

- Cutting out most of the "special milk program." The special milk program currently provides federal support for milk provided to children who attend schools not in the school lunch or breakfast programs. Under the program, a half-pint of milk a day is provided free to poor children and at a reduced price to other children. The Reagan budget would end all federal support except for the free milk provided to poor children. The result is that schools still would have to do much of the paperwork, but would lose most of the federal funds involved. Some schools now in the program, especially those with a relatively small number of poor children, could be expected to drop out of the program altogether, with the likely result that some poor children will lose the free milk.

- Cutting by one-sixth the federal support for meals served to poor children in summer months under the "summer food program." The summer food program is designed to continue the school lunch program in summer months for children in poor areas. Currently the federal subsidy per meal is somewhat higher in the summer program than in the regular school lunch program, because operation of the summer program generally entails somewhat higher costs. For example, school districts often must open a school building in the summer just to operate the summer food program, and consequently they incur additional custodial costs. Prior to 1982, the summer program also could be run by churches and nonprofit organizations. However, the 1981 budget cuts terminated this part of the program, making the schools and municipal governments, with sometimes higher costs, the sole providers. The Administration budget now ignores these higher costs, however, and would cut meal subsidies in the summer program down to the levels provided in the regular school lunch and breakfast programs.

  It is already difficult to convince many schools and municipal agencies in low-income areas to operate the summer food program -- the program reaches only one-eighth the number of low-income children reached by the regular school lunch program during the school year. The new Administration proposals would make this situation more severe. The reduced per meal subsidies that are proposed would be likely to lead some schools and municipal agencies to discontinue the program. Moreover, in areas where the program remained in operation, there would be a risk that meal quality could decline as a result of the reduced per meal federal support.

- Terminating the small ($5 million a year) Nutrition Education and Training program, which supports state and local efforts to provide nutrition education to children in schools and day care centers.

WIC

- The President proposes setting the funding for the WIC program in FY 1987 at a level that would provide program benefits to 30,000 fewer women, infants, and children than currently are being served.

  For years after FY 1987, the budget envisions that funding for WIC would fall still further behind need, so that by FY 1991, some 140,000 fewer persons would be served than are now in the program. The program is limited already to fewer than half of those who meet its eligibility criteria.

Emergency Programs to Alleviate Hunger and Homelessness

There are now two emergency food programs providing funds to local government agencies, food banks, food pantries, soup kitchens, and other charities to help with local emergency efforts to relieve hunger and homelessness. The Administration budget would terminate federal funding for both programs.

- The emergency food and shelter program provides funds ($70 million in FY 1986) to local agencies through a national board of charitable organizations (including the Salvation Army, United Way, and Catholic Charities). The funds are distributed to local charities, soup kitchens, shelters, and similar organizations to help with efforts to relieve hunger and homelessness. The new budget eliminates the program.

- The budget also ends federal funding for the program that now provides $50 million a year through states to food banks, emergency food agencies, and soup kitchens to help defray the costs of storing and distributing federal surplus foods (such as cheese). Many local charitable organizations are not able to distribute the cheese and other surplus items without some help in covering the costs of handling these items. The proposal is likely to drive some of these organizations to leave the program and to stop distributing USDA surplus food items as a result. Less food consequently would be distributed to needy persons.

CDF RECOMMENDATIONS

As an immediate step to deal with hunger in our nation, actions should be taken to assure that poor families have a better chance of making it through the month without running out of food, that school breakfasts provide more adequate nutrition for the poor children who depend on them, and that WIC reaches more of those low-income women and children who need the program's benefits.

To accomplish these goals, the Children's Survival Bill would:

- Base food stamp benefit levels on the current cost of the Agriculture Department's thrifty food plan, rather than on the cost of the thrifty plan for a period in the past. Presently, food stamp benefits for any given fiscal year are based on the cost of the thrifty plan for June of the previous fiscal year. As a result, the benefit levels are outdated as soon as they take effect -- and they become further outdated with every passing month. Basing benefit levels for a fiscal year on the best available projections of food costs for that same fiscal year would at least ensure that benefits equal the current actual cost of the thrifty plan for families that, by definition, have no income to spare.

- Restore the food stamp outreach program to inform eligible low-income persons about the program. Studies consistently show that a major reason for non-participation by eligible families -- especially families (such as the working poor) who are not on welfare -- is a mistaken belief that they are not eligible for food stamps. Outreach efforts can help get proper information to poor families so they can decide whether or not they wish to apply for this benefit.

- Apply to the food stamp program a provision comparable to that used in the AFDC program so that the first $50 of monthly income from child support is disregarded in computing benefits. (A provision purporting to address this issue was included in food stamp legislation enacted last year, but was drafted in such a way as to be wholly ineffective; the new provision takes effect only in the very unlikely event that states agree to pay 100 percent of the additional benefit costs involved.) Providing a meaningful child support disregard should encourage more effective child support enforcement while also facilitating more uniform and coordinated administration of AFDC and food stamps.

- Make a series of improvements in child nutrition programs as laid out in the provisions of H.R. 7, which was approved overwhelmingly by the House in 1985. H.R. 7 involves very modest expenditures equal to about one-twentieth of the amount cut from the child nutrition programs in 1981. Its most important provision is a requirement that the nutritional content of school breakfasts be upgraded, along with adding federal funds needed to do so. USDA research has found that school breakfasts are not as strong nutritionally as they should be.

- Raise the appropriations level for the WIC program so that more eligible low-income women, infants, and children can be served.

These proposals represent a modest first step which still would leave in place the bulk of the cuts enacted in food assistance during the Reagan years. They are only a small and initial response to our nation's serious hunger problem.

NUTRITION: FUNDING AND BUDGET REQUESTS, FY1981-FY1987
(in millions of dollars)

program	FY1981 actual	FY1982 proposed	FY1982 actual	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 actual	FY1986 after Gramm-Rudman	FY1987 proposed
Food Stamps	11,470.0[a]	9,756.0	11,079.3[a]	9,531.1	11,989.7	10,901.3	11,722.9	10,780.9	11,743.0	11,855.8	11,764.9	11,762.3	11,518.6
WIC	900.0	637.5	904.3	637.5[b]	1,160.0	1,160.0	1,360.0	1,254.3	1,500.0	1,479.8	1,560.6	1,560.5	1,617.0
School Lunch[c]	3,004.5	2,120.0	2,486.4	2,665.3	2,833.5	2,709.3	3,004.1	3,138.4	3,134.9	2,868.5	3,152.5	3,152.5	2,911.2
School Breakfast	322.6	299.5	319.4	--[d]	354.4	--[d]	364.9	393.4	407.0	414.5	409.9	409.9	414.1
CCFP	295.0	242.8	270.5	--[d]	335.2	--[d]	378.1	--[d]	434.9	322.3	483.5	483.5	338.1
Summer Food	148.8	0.0	88.8	0.0	91.9	--[d]	104.6	--[d]	115.1	117.2	121.9	121.1	111.7

[a] Actual food stamp funding levels shown here for FY1981 and FY1982 include funds for the food stamp program in Puerto Rico through June 30, 1982. Food stamp funding levels for other years do not include Puerto Rico, since the food stamp program in Puerto Rico was ended on June 30, 1982 and replaced by a nutrition block grant. The Puerto Rico block grant is funded at $206.5 million in the last quarter of FY1982 and at $825 million a year in subsequent fiscal years.

[b] Proposed to repeal, include in MCH Block Grant; funding would have been cut by 30 percent.

[c] Includes commodities for child nutrition.

[d] Proposed to repeal, include in block grant.

10. Housing and Homelessness

Every child in America needs a decent home in which to live. Adequate housing provides more than just a roof over a youngster's head, a warm place in winter, and a cooler place in summer. It is a fundamental form of preventive medicine, a child's frontline defense against illness. It is also an auxiliary educational aid, helping a child complete the necessary homework at night, have an opportunity to work with his parents or older siblings, and arrive at school well-rested. And it is the primary physical setting of a child's care and development, providing the necessary sense of security and refuge.

Our nation has long recognized the important role of the home. In 1909 the White House Conference on Children noted that "home life is the highest and finest product of civilization...the great molding force of mind and character." Since 1949, federal law has included the specific goal of a "decent home and living environment for every American family."

We give families a lot of government help in paying for housing. Our nation's traditional regard for the importance of the home is reflected in a major financial commitment, in the form of substantial tax relief, to those Americans who are able to purchase homes. In its 1986 fiscal year the federal government is spending an estimated $28.6 billion, up from $8.2 billion in 1979, on federal tax relief through the homeowners' deduction of mortgage interest payments from taxable income. The homeowners' tax break on state and local property taxes is costing the federal government another $10.8 billion in 1986. Another multi-billion dollar federal break --

foregoing taxes on "tax exempt revenue bonds" -- has allowed states to spend billions to subsidize mortgage payments for home buyers. States also give additional breaks on state taxes, and the federal government gives assistance to millions of homeowners by insuring mortgages so that banks can charge lower interest rates.

But this sizable government commitment, while it has been very effective in helping America's children by allowing tens of millions of more advantaged families to provide shelter for themselves, does not help low-income Americans much. If a family cannot afford a down-payment or monthly payment on any house, and instead rents a unit, or if its income is so low that it owns a house but the tax breaks do not help, the normal subsidy system does not work. Only 3 percent of the federal tax breaks for owner-occupied housing goes to households with incomes of $15,000 a year or less. The National Association of Home Builders has found that the billions spent on tax exempt revenue bonds -- which financed the purchase of more than 395,000 homes in 1984 -- generally do not help either poor or moderate-income families.

THE NATION'S POOREST FAMILIES FACE A HOUSING DILEMMA

Many of the nation's poorest families are not only finding it difficult to locate and pay for decent housing but impossible to afford any housing at all. Lingering unemployment, falling incomes among the poor and near-poor, and continued cutbacks in a range of government income supports and other programs have greatly reduced the amount of money many poor families have available to spend on rent or mortgage payments.

A 1983 report by the Congressional Research Service found that more than 60 percent of very low-income households (households with 50 percent or less of the national median income) had serious housing problems. They live in housing that is physically inadequate, overcrowded, or imposing too heavy a cost burden on their meager financial resources.

	Owners	Renters	Total
	Thousands of Households (1979)		
Very low income households	9,747	11,378	21,125
Living in physically inadequate housing	1,514	2,480	3,994
Living in crowded units	230	537	767
Heavy cost burden	2,427	5,715	8,142
Total with housing problems	4,171	8,732	12,903
Total with housing problems as a percent of all very low income households	42.8	76.7	61.1

Among this poorest group, 2.8 million households now have "worst case" housing problems, meaning that they live in housing that both is physically inadequate and consumes more than 30 percent of their incomes.

For the very poor, the problem of spending a huge chunk of a small income for often substandard housing is worsening. Between 1975 and 1983, as rents rose and real (after-inflation) incomes fell for the poor, the number of lower income households paying more than half of their incomes for rent and utilities rose from 3.7 million to 6.3 million. In 1983, 79 percent of all renters with incomes of less than $7,000 a year were spending more than 35 percent of their incomes on rent and utilities, and more than half were spending more than 60 percent.

These problems are likely to get worse. The gap between the supply of affordable housing available and the demand for it has widened considerably, especially for the poor. The number of construction starts for multi-family housing -- the units low-income families are most likely to be able to afford -- fell from 456,000 in 1978 to 283,000 in 1983, and is expected to continue to decline. The shrinking supply of decent, affordable housing means increased rents, increased homelessness, and doubling up of families in quarters that are too small.

At the same time that fewer affordable new units are being built, the ones in existence are suffering steady attrition due to demolition, arson, abandonment, condominium conversion, or conversion to nonresidential use. According to the U.S. Department of Housing and Urban Development's Annual Housing Survey, these combined causes removed some 2.8 million rental units between 1970 and 1977. The government estimates that 2.5 million families are displaced by private or government action each year.

In their difficult search for affordable housing, many families face yet another barrier: discrimination. Although it is illegal, housing discrimination on the basis of race is still widespread. And there is no federal law barring housing discrimination against families with children. A few cities and states have outlawed such discrimination, but surveys have found that the practice is very widespread. A 1980 study found that 26 percent of housing units totally barred families, and another 50 percent imposed limitations, such as on the number, age, or gender of children.

A HOMELESSNESS CRISIS NOW AFFLICTS MANY FAMILIES

Those families in the worst situations are being squeezed out of the housing market altogether. This has created a crisis of homelessness among families with children. There are more homeless people in the United States now than at any time since the Great Depression.

Estimates of the total number of homeless in this country have ranged from 300,000 to 3 million. Moreover, the composition of the homeless population has changed significantly. The ranks of the homeless are no longer limited to the stereotype of white, alcoholic, middle-aged men, and a few "bag ladies." The homeless include many youths, many single men and women, and many families with children. According to a 1984 Department of Housing and Urban Development (HUD) study, 22 percent of the homeless in shelters -- not including runaway shelters -- are eighteen years of age or younger.

The U.S. Conference of Mayors' report, The Growth of Hunger, Homelessness, and Poverty in America's Cities in 1985, found that 66 percent of the homeless in New York City's shelters in 1985 were families with children. Families made up more than 40 percent of the homeless in Chicago and Boston and more than 80 percent in Yonkers. Eighty-five percent of the cities surveyed reported increasing numbers of homeless families with children.

With few exceptions, the common denominator in this heterogeneous population is a lack of means to afford adequate housing. Homelessness is another manifestation of poverty. Many of the homeless, especially the families, are the "new poor," families that until recently earned enough to pay rent or the mortgage and meet other necessities of life, but today, whether because of job loss, government cutbacks, or domestic disruption or change, can no longer afford the basic necessity of shelter.

- Charleston, South Carolina, officials point to the unevenness of the economic recovery. They told the U.S. Conference of Mayors that "homeless people have not benefited from the recovery. The gap between those benefiting and those left out just grows wider." Salt Lake City, Utah, officials said, "there are more people in need and they are worse off than previously."

Growing numbers of homeless families have strained private and city resources to the limit. While shelters keep expanding and new shelters open, they still cannot meet the growing demand.

- In 1985, of twenty-five large cities surveyed by the U.S. Conference of Mayors, the demand for emergency shelter increased from 1984 levels by an average of 25 percent in twenty-two cities.
- In Boston, an average of fifteen families become homeless every week.
- The Seattle Emergency Housing Service, Seattle's largest emergency shelter for families, turned away 12,521 people in 1984. Of these, 7,236 -- 58 percent -- were children. In the single month of November 1985, Seattle shelters turned away 4,641 homeless people, 76 percent of whom were women, children, or youths.
- In 60 percent of the cities surveyed by the U.S. Conference of Mayors, shelters have to turn away people in need.

- The Partnership for the Homeless, a New York City consortium of synagogues and churches, estimates that the number of homeless families in New York City will double in 1986.

Many families try to stave off homelessness, at least temporarily, by "doubling up" -- moving in with relatives or friends. Often this requires a separation of parents from children.

- Mrs. L, a mother of three in Washington, D.C., had been on the housing authority waiting list for thirteen years. She spent several months illegally subletting one room from another low-income family in a public housing project. One of Mrs. L's children was with their father and the other was in the hospital suffering from a nervous condition. It was only after legal intervention and newspaper publicity that Mrs. L obtained a two-bedroom unit in one of the authority's projects.

- Phoenix, Arizona, officials call families that are doubled or tripled up the "hidden homeless," and say that their numbers are growing.

But many have no friends or family on whom to rely; for others the overcrowding caused by "doubling up" sometimes becomes too great. In either case, homelessness ultimately results. Families then try to live in bus stations, abandoned cars, empty buildings, or emergency shelters. Many families are forced to separate, depending upon the type of shelters available. Children are sometimes separated from their parents and placed in protective care. Those who become homeless along with their parents suffer damage to their physical and emotional health.

- Mrs. M of Washington, D.C., had been without her own place for six years and her three children had been in foster care most of their lives. She had been on the emergency waiting list for public housing for two years before she finally obtained a one-bedroom unit. It may be months or years before a larger unit becomes available and the family can be reunited.

- Shamal Jackson was born in New York City on September 28, 1984, and died on May 20, 1985, according to a national newspaper report. During his short life he never slept in an apartment or house. His family was always homeless. He slept in shelters, welfare hotels, hospitals, the city welfare office, and riding the subways late at night. Shamal was a low birthweight, disabled baby, and he died of a virus complicated by an infection and his generally frail condition. Robert Hayes, of New York's Coalition for the Homeless, said, "Shamal died because he didn't have the strength to resist the system's abuse."

- A Maine family of seven was homeless for months before it could find an affordable apartment large enough to meet its needs. The family was displaced when its apartment was condemned because the landlord refused to make necessary repairs. The rental vacancy rate in the area was near zero. The family moved halfway across the state, staying temporarily with relatives but not finding a large enough housing unit it could afford. Then, as frequently happens with homeless families, the crisis was worsened when the income support payments on which the family depended to make ends meet stopped -- because the family no longer had an address to which checks could be mailed. Local officials also claimed that the parents were not adequately providing for their children, and alerted the state child protective workers. Fortunately, an unusual offer from the local General Assistance Office to pay the family's security deposit and first month's rent enabled the family to finally move into a place of its own.

The increasing numbers of families being forced to double up is a warning signal of future worsening of the homelessness problem. A little more than a year ago the State of New York, utilizing 1983 census data, estimated that 143,000 families were among those considered the "potential homeless" because they lived with other families or friends. At least 4,000 such families were tripled up or worse. But in January 1986, Partnership for the Homeless estimated that 230,000 families in New York City alone now live doubled up.

Families forced to take refuge in shelters face conditions that make maintaining any semblance of normal home life impossible. Often prostitutes and drug dealers are under the same roof. A child's schooling is disrupted if the shelter is far from his or her regular school. Privacy or recreational facilities for children are rare. Not surprisingly, many of the children in shelters lack stability, hope, or a positive sense of the future.

- Mrs. H and her four-year-old son Elisha returned from a trip to the South last May to find their Bronx apartment vandalized and an eviction notice from the landlord. Mrs. H, who was eight and a half months pregnant and had no place to turn, was sent by the city's Department of Social Services to a shelter for the homeless in Roberto Clemente State Park in the Bronx. More than 200 homeless people were staying at the shelter, a cavernous gymnasium. "When I walked in and saw these trillions and trillions of cots and realized that this is where I would have to stay, I wanted to die," Mrs. H said. Like many homeless families, Mrs. H and her son then were moved repeatedly from one public facility to another.

- According to a report by New York's Coalition for the Homeless, the Citizens' Committee for Children (the oldest child advocacy organization in New York City) has said, "barrack shelters should be closed down as soon as possible." The Emergency Alliance for Families, which is cochaired by James Dumpson, a former Human Resources Administration (HRA) commissioner, has described the shelters as "shameful, horrendous, indecent, and unsafe." Last summer the Red Cross refused to renew a contract to operate the shelters for HRA because it was felt that the conditions were too detrimental to the well-being of families.

THE FEDERAL GOVERNMENT IS RETREATING FROM LONG-TERM INVESTMENT IN LOW-INCOME HOUSING

Since the 1930s, the federal government has been active, to varying degrees, in helping to provide decent housing for low-income Americans. Through all the many revisions in federal housing programs during the intervening years, our nation has not yet approached the stated goal of "a decent home for every American family." This goal cannot possibly be met under current policies, which have entailed substantial cutbacks from the prior level of federal commitment.

Even in 1980, before the recent round of cuts, only one-quarter of all renter households below the poverty level received any assistance. The gap between the need for assistance and the federal commitment is dramatically illustrated by the waiting lists for assisted housing, which average twenty months in a cross-section of cities. According to the Council of Large Public Housing Authorities, in late 1982 the weighted average length of time on public housing waiting lists was twenty-nine months for families. Tenants in Miami had a ten-year wait. Applicants in New York City who were on the "emergency" list waited three to six months. That the formal lists average about two years and not longer often reflects officials' frequent refusals to allow families to sign up at the end of multi-year waiting lists.

Despite the large unmet need, since 1981 the federal government's appropriated budget authority for low-income housing assistance has been slashed by more than 60 percent, from $31 billion in FY 1981 to $10 billion in FY 1985. Funding for low-income home ownership loans and rental assistance provided by the Farmers Home Administration (FMHA) has been reduced by 50 percent. For FY 1986, the President proposed a two-year moratorium on all new commitments for assisted housing, a draconian measure that Congress rejected. But Congress approved budget authority of only $10 billion.

It should be noted that the two-thirds cut in budget authority from 1981 to 1985 does not mean that federal low-income housing expenditures each year were reduced by two-thirds. The immediate impact has been less. But the long-term impact will be great. The budget authority figure includes authority to obligate the government to assist in constructing a unit which, because of lag time in approving and building a project, will be built months or years in the future. Thus the full impact of several years of drastically reduced budget authorities will not be felt until the late 1980s and early 1990s.

Therefore, the current symptoms of the low-income housing shortage -- higher rents for less and less adequate housing, homelessness, long waiting lists, overcrowding -- are likely to be the harbingers of a much larger crisis to come, unless federal policies are reversed. The government's efforts to replenish the shrinking stock of low-rent housing were inadequate in 1981 before the impact of budget cuts. These efforts are now more inadequate.

The affordable housing supply is being depleted further by HUD's policy in recent years of canceling the construction of units already in the "pipeline." In many cases, HUD will not transfer these funds to other projects. Moreover, a 1983 law is likely to facilitate the demolition or sale of some public housing units, even though they are repairable and needed. In addition, through its recent Public Housing Homeownership Demonstration project, HUD expects to sell 2,000 units of public housing to tenants, eliminating the units from the pool of rental dwellings that will be available in the long term.

Furthermore, the Reagan Administration has shifted the method of providing the bulk of federal housing assistance from long-term to short-term measures, a change with negative implications for many families facing housing problems. This new policy de-emphasizes the subsidization of construction or renovation of low-income housing necessary to expand the supply of affordable rental housing stock. Instead it subsidizes tenants through vouchers or by helping them meet the costs of renting existing privately constructed housing. Of the approximately 100,000 new assistance units in HUD's programs in FY 1986, only 19,000 will be additions to the housing stock. The remainder will entail helping families through voucher-type programs.

This policy has several flaws. Even with the help of vouchers, tenants renting in the private market may be forced to pay more than 30 percent of their incomes for housing units, if they are lucky enough to find them.

Moreover, meeting the needs of the poor through vouchers would require much more money than the Administration is willing to commit. And a housing voucher does not guarantee a low-income family an affordable or decent unit, or -- given the waiting lists -- any unit at all. While the Administration claims that the housing problem is one of affordability, not supply, its own data undermine this contention.

Since 1973, HUD has been conducting an Experimental Housing Allowance Program, similar to the voucher concept, with very mixed results for poor families. Fewer than half of the eligible families ever reached the point of receiving subsidies. In terms of actually obtaining housing, very large families fared especially badly, with success rates of only 37 percent in Pittsburgh and 32 percent in Phoenix, two of the cities in the experiment. In addition, minority families did significantly worse than non-minorities. Some bias against welfare recipients and the elderly also appeared.

The results of the government's Section 8 program of subsidies to families for rents in existing housing also show that even with the subsidies, the quality of housing that the poor can obtain in the marketplace is often intolerable. A 1979 study by the U.S. General Accounting Office showed that 42 percent of all of these Section 8 units surveyed contained one or two conditions that violated federal housing quality standards or endangered the life, health, safety, or welfare of the occupants or the public. (Conditions in 18 percent of the homes were so serious that the homes could not be considered decent, safe, and sanitary.)

A voucher program will not solve the dilemma of finding affordable, decent housing now faced by millions of low-income families. Their plight appears likely to worsen further as the government withdraws from assisting in the construction of new housing and voucher payments remain too limited to help most compete in the marketplace.

In the short-term, the housing-related budget cutbacks are being felt in other ways, such as the shift of more of the cost burden of public housing and subsidized housing onto poor families. Prior to 1981, these families could be charged no more than 25 percent of their incomes for rent and utilities. In 1981, Congress passed a law raising the payment to 30 percent over several years. Low-income households now are paying an average of $500 more per year for subsidized housing. And 300,000 more families live in substandard housing than would if the federal housing cutbacks had not been made, according to the Urban Institute.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

The President's budget proposals for FY 1987 will exacerbate an already desperate low-income housing crisis. If the Administration has its way, only 62,500 needy families will be added to HUD's housing assistance programs in 1987, compared to approximately 100,000 slated to receive help under the pre-rescission, pre-Gramm-Rudman FY 1986 levels.

Budget authority would be reduced from $9.9 billion ($9.5 billion after sequestration under Gramm-Rudman) in 1986 to $2.3 billion in 1987, a reduction of more than 75 percent. And this $2.3 billion in 1987 actually would be funds deferred or carried over from the FY 1986 budget. No new budget authority is being proposed for

FY 1987. The Administration further proposes to rescind or cancel another $5.12 billion of the 1986 budget entirely, drastically reducing the number of families newly served this year to only 67,064 households, almost all of whom would receive housing vouchers.

Because the bulk of FY 1986 HUD funds has not yet been allocated, the Administration is seeking congressional approval to eliminate nearly half of the units and to reprogram those funds into the voucher program.

Several specific HUD programs have been slated for total elimination in FY 1987 and for drastic reductions in FY 1986. Rental Rehabilitation and Rental Housing Development grants, which provide matching funds to stimulate new construction or rehabilitation in low-income neighborhoods, would be eliminated from 1986 on. Among Section 8 Moderate Rehabilitation units, which provide an extensive rental subsidy for recently repaired units in the private market, all but 1,114 would be eliminated in FY 1986, leading to their complete elimination in FY 1987. The Public and Indian Housing Development programs would end in 1987, while only 350 of the expected 6,724 units would be constructed in 1986. Two-thirds of the 1986 allocation for the Urban Development Action Program (UDAP) would be rescinded and the program would be terminated in 1987. The Section 8 Existing program would be drastically reduced from 31,203 new units to 2,300 units.

The more than 1 million families currently participating in the Section 8 Existing program also will be affected by these budgetary reductions. The Administration proposes that there be no annual adjustment to compensate for inflation for those landlords who currently are participating in both the Section 8 Existing and Moderate Rehabilitation programs, a denial that would prompt many to seek to remove their units at least from the Section 8 Existing program. Similarly, families about to begin to receive assistance through the Section 8 Existing or Voucher programs will find it more difficult to find decent, affordable housing because HUD is proposing to arbitrarily freeze the permissible rents for 1987 at the 1986 levels.

The Administration proposes several detrimental changes in the Public Housing program as well. Operating subsidies that are critical to ensure that the nation's public housing stock is maintained and serviced adequately will be reduced by approximately $87.2 million in 1987. Such a shortfall would cause maintenance to be postponed, resulting in a subsequent need for major repairs. In a further jolt, the budget proposes eliminating public housing modernization or repair funds for all but emergency needs in FY 1986 and FY 1987. Public housing units that are sitting vacant for want of substantial rehabilitation would deteriorate further and might well be demolished or sold.

Community Development Block Grants (CDBG) would be reduced by one-third from 1986 to 1987. A deferral of $500 million is proposed, which would force many communities that had expected to utilize these funds to provide a range of services this year -- of which housing assistance to low-income families is but one -- to make cuts in those services, 51 percent or more of which must go to low-income areas.

The only increase in the HUD budget is in the very small Fair Housing and Equal Opportunity Programs. Budget authority would increase from $6.3 million in 1986 to $12 million in 1987.

Poor families in rural areas of the country would be among the biggest losers if the President's budget plans are implemented. Rural American housing is disproportionately substandard (more than 33 percent of the nation's bad housing is in rural areas), a situation that the President's proposal would greatly exacerbate. The Administration proposes a $700 million rescission of Farmer's Home Administration funding in FY 1986 and to terminate all rural housing programs in 1987, transfering these responsibilities to HUD. The proposed termination of rural rental assistance programs would mean that more than 13,000 low-income families would face sharp increases in rents or eviction when their subsidies expire in 1987.

Low-income rural families seeking to purchase houses will be hurt by the proposed elimination in FY 1987 of low-interest home ownership loans. In 1985, 26,000 families received this form of assistance. The Farmer's Home Administration's farm labor housing program, which provides loans and grants to build housing for migrants and seasonal farm workers, also would be eliminated.

Homeless families in both urban and rural areas would receive almost no help from the federal government in FY 1987. The President proposes to terminate the Emergency Food and Shelter Program, which, since 1983, has provided $300 million through the Federal Emergency Management Agency and the United Way. Although localities may choose to use block grant funds for shelters, those programs too are facing drastic reductions.

CDF RECOMMENDATIONS

To begin to meet our national goal of a decent home for every American, the policies of the past several years must be reversed. We must increase support for meeting the housing needs of the poor. The appalling dimensions of the housing crisis facing the nation's poorest families require both long-term and short-term efforts.

We must make a long-term commitment to increase the availability of decent housing for lower-income Americans. In the short term our nation must meet the emergency needs of the growing numbers of homeless families and children by providing decent temporary shelter to all who need it. CDF recommends:

- Increased efforts to preserve the existing stock of low-income housing through necessary repair of public housing units, support for low-income homeowners, and protection of existing lower-rent apartments;
- Increasing the production and availability of low-income housing through the public housing or other construction programs;
- Increased funding for safe, adequate shelters to meet the temporary needs of homeless families, and removal of barriers faced by the homeless to assistance programs providing health care, food, education, and other benefits.

HOUSING: NET NEW BUDGET AUTHORITY, FY1983-FY1987
(in millions of dollars)

program	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 after Gramm-Rudman	FY1987 proposed
Low Income Housing	-3,850	8,651	400	9,913	5,600	10,759	499	9,537	0

11. Preventing Adolescent Pregnancy and Building Youth Self-Sufficiency

The maturation of all of our young people into skilled, productive, and self-sufficient adults is more crucial to this nation than ever before in its history. The contribution of every child or teenager growing up today will be increasingly important as our population as a whole gets older and we rely on the next generations to support our economy and government. In 1960 there were six workers for each retiree in America. By 1992, there will be only three.

Not only will each of today's children be counted on more, but we will need many more of them to bring high levels of skills to the workplace. In 1960, two out of every five workers was employed in manufacturing or agriculture -- industries with traditionally high proportions of unskilled jobs. By 1995, the pool of jobs in these industries will have shrunk; only one out of every five jobs will be in manufacturing or agriculture. While the need for unskilled labor is decreasing, the demand for skilled labor is increasing rapidly.

This is what we as a society will need from our children. Whether we get it will depend on how well we meet their needs. To become tomorrow's self-sufficient adults who will contribute to the society economically, socially, and politically, children need our help at every step in their development:

- At every stage they need the food, shelter, and health care that will allow them to survive and thrive, to perform their "jobs" of learning and growing.

- As infants, they need home environments that will protect and stimulate them and provide them with caring, consistent caretakers.
- As toddlers, they must get early care or preschool care that is enriching and stimulating.
- As school children, they need an educational environment that encourages them to stay engaged in learning and at the appropriate grade level, and structured, supervised programs after school and during summer months that not only occupy their time but challenge their minds and bodies.
- As teens, they need a broad range of experiences, exposures, and relationships with adults that will build their self-esteem, extend their vision beyond neighborhood boundaries, continue their education, and expand their knowledge of the challenges of and skills required in the world of work.

No child, whether poor, middle class, or rich, can manage these steps alone. Every child deserves all the assistance in taking these steps that we can give. Our society cannot replicate the ideal world for every child, but it can and must ensure that all children receive the basic supports they need to move toward self-sufficiency.

If we want all of our youths to leave high school with sound academic and job-related skills, we must do more than improve the education they receive. We must bolster their families and communities. These institutions, not the schools, are children's primary educators.

Families need the food, housing, health care, and economic stability that only decently paying steady employment can create, so that they can raise healthy children and guide them through their schooling. Communities need jobs, parks, recreation centers, community service agencies, and effective leaders. Most important, communities must become microcosms of the world to which we want our youths to aspire, rather than a world we want them to escape.

All youths need a further essential ingredient of maturation: time. Because of the increased emphasis on secondary and higher education in the job market and other complex factors, children growing up today take longer to achieve self-sufficiency than they did fifty years ago. The large majority of young people no longer leave school before they begin the process of becoming adults. They now stay in school, and often with their families, until the workplace is ready to take them in as fully trained adults. Today, half of all young American adults are still in school at age nineteen. Only half have completed their schooling and entered the labor force at twenty. Half are still unmarried at twenty-four, and at twenty-five half of all young women have yet to bear their first child.

THE TEENAGE PREGNANCY CRISIS

Teen parents, however, do not get the time they need to mature. We have had teen pregnancy and childbirth throughout history. What has converted an old biological phenomenon into a new economic and social crisis is not a recent change in the rate of births to teens, but a change in what our society requires of teens. Thirty years ago a seventeen-year-old parent with limited education and skills often could support a family. Today that same seventeen-year-old parent cannot get by without help.

Demographic, economic, social, and technological changes now mandate that our young people spend more time preparing for adulthood. Changes in family formation -- increases in the likelihood that mothers will, at some point, be the main providers for their children -- require that young women as well as young men get the education and training they need to earn decent wages. The increasing skill demands of the job market mandate that youths enter the workplace with a strong and complete high school education, ideally combined with additional academic or vocational training. Young people now need extended time to establish themselves financially before becoming parents.

As a society, however, we are not meeting these essential needs for a growing number of our children. The signs of failure are all around us:

- Seventeen percent of youths ages eighteen to twenty-one have not completed high school.
- Nineteen percent are officially unemployed (actively looking for work but unable to find it).

- Only 44 percent of sixteen- to nineteen-year-olds in 1985 held jobs, and thus gained first-hand work experience.
- Twelve percent of teenage girls already have become mothers. Half are raising their children as single parents.

All of these statistics are troubling. But the high number of teen parents -- signaling a disruption of the maturation process that is often most damaging -- is especially disturbing.

In 1983 there were an estimated 1.1 million teenage pregnancies resulting in 500,000 births to teens. More than 450,000 of these pregnancies and 180,000 of these births were to teens younger than eighteen, with almost 125,000 pregnancies occurring to teens fifteen and younger.

Births to Women Under 20 by Race and Ethnic Group, 1983

	Total Under 20	Under 15	15-17	18-19	% Not 1st Births	% of All Births
All Races	499,038	9,752	172,673	316,613	22.5	13.7
White	342,183	4,031	109,641	228,511	20.2	11.8
Black	142,105	5,439	58,160	78,506	27.7	24.2
Hispanic*	61,657	1,288	22,873	37,496	NA	18.3

*Hispanic data are for 1982. White, black, and Hispanic births add to more than the total because Hispanic births are included in racial totals. In 1982, 95 percent of births to Hispanic mothers were white.

Adolescent parenthood too often interrupts and forestalls an adolescent's transition to adulthood. Not only do the costs of parenthood occur at a time when the young parent is financially least able to afford them, but parenthood itself often seriously curtails the young parent's ability to prepare for a good job that provides decent earnings. Education is interrupted and early employment experience complicated by the costs and demands of child care, health care, and transportation, as well as by the emotional challenges of parenting. Forty-three percent of the young women who drop out of school do so because of pregnancy or marriage. A recent analysis of national survey data of young adults aged twenty to twenty-six found that half of the teenage mothers who had children before age nineteen had dropped out of school and never returned. A national study completed in the late 1970s found that teens who had become fathers before age eighteen were about 40 percent less likely to graduate from high school than those who waited.

Percentage of Women 18 to 24 Years Old Who Have Had Children, by Education and Race

	Total	Less Than High School	High School Graduate	Some College	College Graduate
All Races	28.6	51.2	33.6	12.1	6.8
White	26.4	50.1	31.0	10.8	5.9
Black	42.8	57.7	48.7	22.9	15.4
Hispanic	42.3	62.2	35.1	13.4	NA

Teen parents are often unable to keep both themselves and their child or children afloat financially. Teen parents with few skills and without high school diplomas are particularly vulnerable.

Teens, especially minority teens, face difficult odds in the job market. Teen unemployment is lingering at an all-time high (see Chapter 13). Young workers who are employed are disproportionately in low-paying jobs. In 1979, 37.3 percent of sixteen- to nineteen-year-old workers and 13.7 percent of twenty- to twenty-four-year-old workers paid on an hourly basis earned wages of $2.90 or less. If the job was full time, $2.90 an hour would support a family of three at the poverty line.

In 1984, 65.3 percent of sixteen- to nineteen-year-old workers and 28.5 percent of twenty- to twenty-four-year-old workers were earning less than $4.00 an hour, a wage that, if the worker could get a full-time job, would leave a family of three just below the poverty line. In other words 65 percent of teen workers and 29 percent of workers in their early twenties -- essentially twice the rates of 1979 -- could not earn wages in 1984 sufficient to bring an intact, one-income family with a child out of poverty.

Data are not available on the poverty rates of teen families, but the poverty rates of families with heads younger than twenty-five suggest that, even with support from their families, teenage parents, married or single, are an economically distressed group. A couple younger than twenty-five with children is four times as likely to be poor as a childless young couple. A single parent younger than twenty-five is three times as likely to be poor as a young couple with children. Three-quarters of all single mothers under twenty-five live in poverty.

Percentage of Families With 1983 Income Below the Poverty Level, by Age of Family Head, Family Type, Presence of Children and Race

Family Type and Age of Head-of-Household

Married Couples:	Black	White	Total
Age 25-44, with children	15.4	8.6	9.3
Under 25, with children	32.1	23.0	24.3
Under 25, with no children	--*	5.2	5.4
Female-Headed Families:			
Age 25-44, with children	58.8	38.7	45.5
Under 25, with children	84.8	73.8	77.9
Under 25, with no children	--*	13.3	18.1

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* Census Bureau does not calculate poverty rates when base is fewer than 75,000 families.

Teen birth rates are slowly going down, but among births to teens the proportion of all babies born to single mothers is growing rapidly -- a trend mirrored by an increase in out-of-wedlock births among adult women. In 1983, 54 percent of all teen births were to unmarried mothers, compared to 14 percent in 1950. This trend, coupled with rising divorce rates among the minority of teens who do marry, means that large numbers of young women are both single and mothers -- a combination that often cripples their efforts to achieve self-sufficiency.

Moreover, an international study conducted by the Alan Guttmacher Institute suggests that teenage pregnancy rates in the United States are unnecessarily high. American teens are no more likely to be sexually active than teens in countries such as England, France, and Canada. But American teens are much more likely than teens from these other countries to experience pregnancy during their adolescence. Each year in this country, ninety-six of every 1,000 girls and young women under twenty become pregnant -- one in ten. The U.S. rate is almost twice that found in France, England, and Canada. It is seven times that of the Netherlands.

The costs of adolescent parenthood are enormous for teen parents, their children, and society. The international data make it clear that these costs are not the inevitable outcomes of increased adolescent sexual activity. Rather, they stem from our inability as a society to deal in a preventive way with the implications of that increase, to provide early comprehensive sex education and to give sexually active teens access to family planning services and counseling. Limiting youths' access to sex education and contraceptive services has not led to less teenage sexual activity in the United States. Nor has the provision of this information in Europe and Canada resulted in increased sexual activity -- instead it has made youths in those countries more sexually responsible.

Adopting the approach to pregnancy prevention taken by Canada and European countries will help reduce the rates of teen pregnancy and parenthood, but these "capacity building" strategies alone are not enough. Teens need reasons to delay parenthood as well.

TEEN PARENTHOOD: BOTH A CAUSE AND AN EFFECT OF POVERTY

Adolescent parenthood, especially unwed parenthood, occurs disproportionately to teens for whom achieving adult self-sufficiency would have been a difficult challenge even without this additional responsibility. While there are not enough national data to allow us to look at the incidence of early parenthood strictly by income rather than by race, research does show that teens from low-income families, regardless of race -- teens with poor basic skills and poor employment potential -- face higher risks of early parenthood.

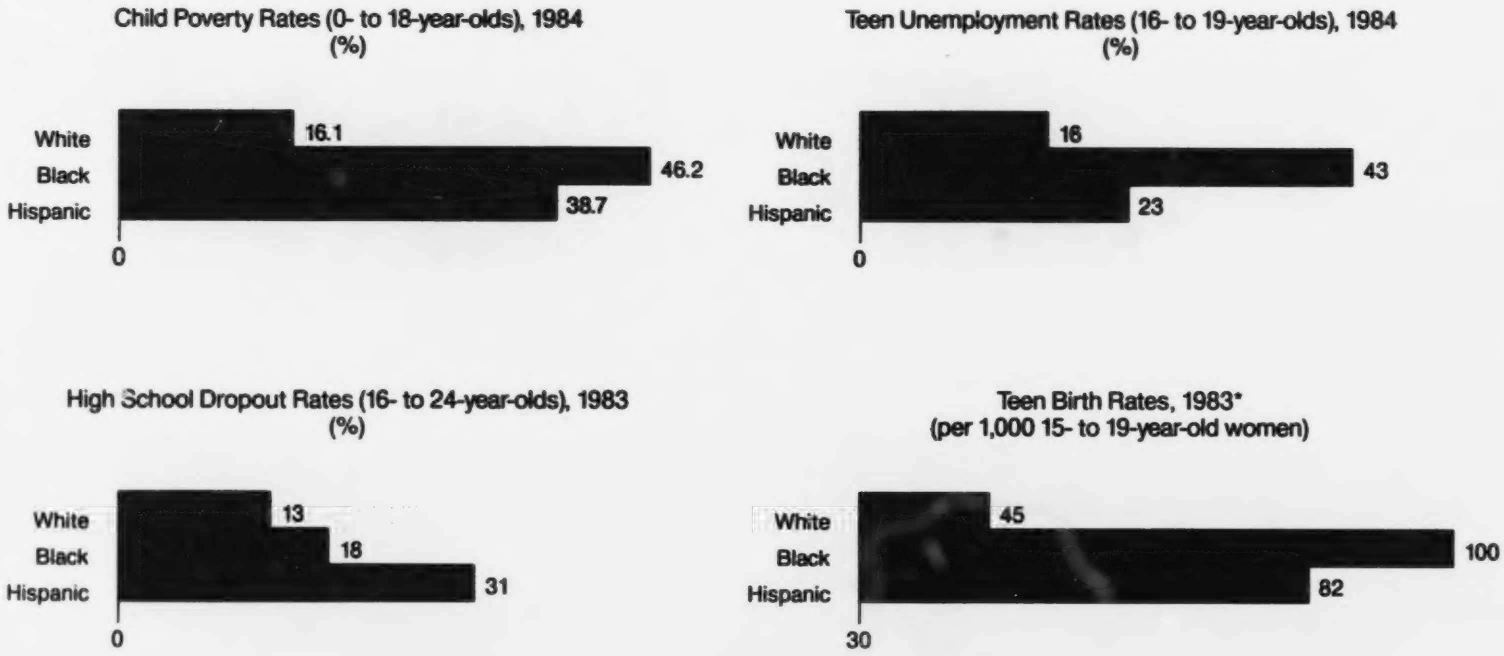
Disadvantaged young women, whether black, white, or Hispanic, are three to four times more likely to become unwed parents than are advantaged teens. Single parenthood among teens is much more strongly linked to poverty than to race or other indicators.

Because of higher poverty rates among minority families, however, minority teens are at higher risk of too-early parenthood. Minority teens account for 27 percent of the adolescent population, about 50 percent of poor adolescents, and about 40 percent of the teenage women who give birth.

The higher teen pregnancy and birth rates among minority children stem from the early and continuing disruption of the steps they need to make toward maturation. More of these children begin life in poverty. Black children make up 15 percent of the child population in the United States but 31 percent of the number of poor children. Today nearly half of all black children are poor. Hispanic children make up 9 percent of the child population but almost 16 percent of children living in poverty. Poverty rates among black and Hispanic children living in two-parent families are twice as high as those found among white children.

This poverty takes its toll in very basic ways. Poor children are three times more likely than non-poor children to lack full-year health insurance coverage. Health professionals working with low-income children estimate that as many as 80 percent of those children are suffering from one or more untreated medical conditions. Poor nutrition and health during infancy and early childhood can impact

Comparison of White, Black, and Hispanic Rates of Child Poverty, Teen Unemployment, High School Dropout, and Teen Births



Child Poverty Rates (0- to 18-year-olds), 1984 (%)

Teen Unemployment Rates (16- to 19-year-olds), 1984 (%)

High School Dropout Rates (16- to 24-year-olds), 1983 (%)

Teen Birth Rates, 1983* (per 1,000 15- to 19-year-old women)

*Hispanic rate is for 1980.

cognitive development and increase the likelihood of learning disabilities. Throughout childhood and adolescence, poor health, including untreated visual, hearing, dental, and mental health problems, can contribute to decreased learning and school attendance.

Poor children usually reside in less affluent communities that have fewer resources to invest in public schools. In school, they are often channeled into general, vocational, or special education programs, often regardless of their potential. Outside of school, their communities seldom offer programs and facilities that challenge their minds and bodies.

Their disadvantages worsen as they approach and enter the crucial teenage years. By the time poor students reach secondary school the consequences are clearly apparent: more than one-third of the black fourteen- to seventeen-year-olds in the United States are one or more grades behind in school or not in school at all, compared to one-quarter of all white students. Only one out of two eighteen- to nineteen-year-old Hispanic youths has graduated from high school, compared to three out of four white teens this age. Poor youths, regardless of race, are three to four times more likely to drop out of school than those from more affluent households. In large public school districts in our major cities, where the greatest majority of students come from poor families, dropout rates frequently exceed 40 percent.

Teens who are behind in school or lack basic skills are at high risk of early parenthood. Too often these teens lack not only the knowledge of and access to the means of avoiding pregnancy, but also the motivation to delay parenthood -- the sense that becoming a parent would significantly decrease their options for the future. Analysis of the National Labor Survey found that sixteen- to seventeen-year-old girls who were in the bottom quintile on basic skills tests were five times more likely to be mothers than girls who had average scores.

Low-income and minority students, because of their relatively poor educational status, are clearly at greater risk of early parenthood than are white non-poor teens. The problem is compounded further because these teens also face greater risks of unwed parenthood.

To decide to marry once pregnant, a young woman needs to believe that marriage will enhance her future significantly. Specifically, a pregnant woman must believe that her child will be better cared for if she marries. But statistics indicate that fewer and fewer young minority women have this belief.

Among black fifteen- to seventeen-year-olds who were pregnant in the late 1940s, 27 percent married before the birth of their child. Among those pregnant in the late 1970s, only 5 percent married before the birth. Black eighteen- and nineteen-year-olds show a similar trend. More than 88 percent of the babies born to black teens in 1983 were born out of wedlock. In 1950 the figure was 36 percent.

Recent research refutes the belief that black teenage mothers refrain from marrying to qualify for welfare. A careful look at employment statistics for young black males suggests a more likely reason that these mothers do not marry: their prospective husbands would not be able to find work. In 1954, 76 percent of all black males age twenty to twenty-four were employed, compared to 78 percent of all white males. Today, 78 percent of white males in this age group are employed but the black rate has dropped to 55 percent. The pattern is similar among sixteen- to nineteen-year-olds, but the percentage drop among blacks is even larger. In 1954, 50 percent of white males and 53 percent of black males were employed; in 1984, the figures were 47 percent and 23 percent, respectively.

Millions of the young men and women who truncate their educations by leaving high school or truncate their adolescence by bearing children do not carefully weigh these decisions because, in general, they do not see a better alternative. By the time they reach adolescence, their motivating force to improve their lives -- their sense of themselves and their personal expectations -- has been damaged seriously. It is often at this point -- the point at which their problems become costly -- that society steps in and attempts to undo this harm and turn these troubled youths into self-sufficient adults. At this point societal intervention is always costly, and often too late.

Too many of our children, by having children, face difficult odds. And too many of those who become teen parents are locking themselves into years of poverty that neither we nor they can afford. Unless we as a society decide to help our teens prevent too-early parenthood and complete their progress to self-sufficiency, many of these young people will end up poor, unemployed, and without hope.

To turn this crisis around, we need to make a national commitment to our young people that reaches into every level of American life. The federal government will have a role to play. So will individual parents, families, communities, and local and state governments.

The Alan Guttmacher Institute study showed that the United States, like other countries that have high teenage pregnancy rates, has a very inequitable distribution of income. Further dispelling the myth that the availability of welfare encourages poor young women to become mothers, this study found that the four European countries studied were all more generous in their support to poor mothers in particular, and were all more committed to reducing the disparities between rich and poor than the United States.

Preventing teen pregnancy means more than giving teens sex education and access to contraception and thus the capacity to avoid becoming pregnant. It means giving them compelling reasons to avoid pregnancy, by investing in comprehensive efforts to offer all of our youths the hope, opportunity, education, and skills they need to become self-sufficient.

12. Education

All children need a good education to become self-sufficient and contributing adults. In early childhood, they need stimulation and patient teaching to begin their cognitive development. During their school years, children must gain the basic abilities to read and compute so as adults they can participate in the nation's economic, social, and political life. They also need to acquire less easily measurable skills: how to think clearly and independently, how to make critical judgments, and how to arrive at decisions on their own.

As a nation, we have a great stake in ensuring that these educational needs are met. How well we teach our children will largely determine the degree to which they can contribute to our society. Their knowledge and skills will not only promote their own self-sufficiency, but will strengthen both our economy and our democracy. In a world characterized by increasing complexity and rapid change, a society that fails to provide for the education of its children can neither compete nor prosper.

The vast majority (87 percent) of American children from all income groups are educated in our public school system. Schools located in middle-income or more affluent communities are most likely to have the resources and teaching staff necessary to offer children a full range of opportunities to learn.

Public schools are primarily financed at the state and local levels, but the federal government provides additional support. For example, in FY 1986 $2.2 billion, approximately 30 percent of all federal funds for elementary and secondary education, went toward general financial support for local schools. In addition to this and other direct help for local school districts, the federal government provides a far larger indirect source of support through the tax system. State and local tax payments used to finance public education, as well as other public services, are deductible from federal income taxes for taxpayers who itemize their deductions.

Many young people who pursue higher education also receive federal help, primarily through student financial assistance programs, a commitment that totaled $8.2 billion in FY 1986. Government grants and research contracts provide colleges and universities with billions of dollars of additional federal aid.

CHILDREN LEFT BEHIND BY OUR PUBLIC EDUCATION SYSTEM

While this publicly financed educational system works for most American children, it is failing to educate well a substantial segment of our youth. Those left behind by our schools are disproportionately from poor and minority families. They often live in large cities or remote rural areas, and sometimes have special needs or disabilities that make learning more difficult. Many of these young people drop out of high school and then face a high risk of long-term unemployment or welfare dependency.

The education of poor and minority children often is hampered before it even begins. Poor nutrition and health care during infancy and early childhood can impair cognitive development and increase the chance of learning disabilities. For example, low birthweight in infants, a condition often resulting from poverty, is known to result in learning difficulties. Based on current rates of low birthweight births, nearly a quarter of a million children enter school each year far more likely than other children either to be educationally impaired or to experience major problems in school. Further, poor families are less likely to be able to afford quality child care or preschool arrangements that can enhance a child's early development and get him or her off to a strong start in school. Recent research shows that children who participate in quality preschool programs do better in school and are much more likely to graduate from high school than those without such experiences.

The disadvantages of growing up in a poor family are likely to be compounded when a child enters public school in a poor neighborhood. The quality of teaching resources and the amount of individual attention each child receives vary greatly depending on where he or she lives. Most poor children reside in less affluent communities or states that have fewer resources to invest in public schools. For example, in Mississippi, which has the lowest per capita income in the nation, public elementary and secondary schools spent only $1,962 per pupil in 1984, compared to $4,943 per pupil in New Jersey, which has the third highest per capita income. The gap in resources spent on education between poor and affluent communities within states is just as great. Within New Jersey, for example, per pupil spending levels range from a low of $2,616 in the less affluent areas to a high of more than twice that -- $5,375 -- in the more well-off communities.

The link between poverty and low educational achievement is reinforced in many other ways:

- Children from poor and minority families are often channeled into general, vocational, or special education programs, sometimes regardless of their potential, while more advantaged students are steered into college preparatory courses.
- The dearth of effective school-to-work transition programs removes a major incentive to stay in school for low-income youths who do not plan to go on to college.
- Increased financial pressures on families also can cause children to cut short their schooling. One in five male dropouts cites financial difficulties or an offer of employment as his reason for leaving high school.
- Language barriers compound the effects of poverty on Hispanic and other students with limited English proficiency. Often, students from non-English-speaking families are relied upon by their parents to assume family responsibilities or serve as translators in non-school settings, increasing absenteeism and undermining academic performance.

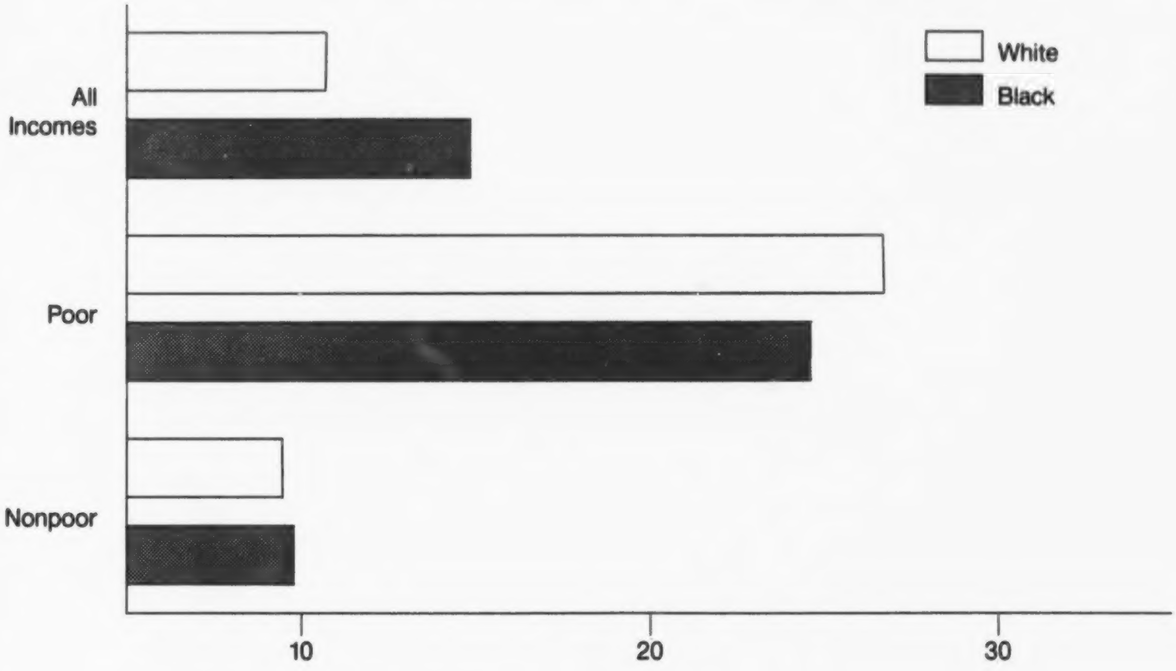
The alarming school dropout rate is the most immediate consequence of our school system's failure to meet the needs of these children. Roughly one in every seven young people in the United States fails to complete high school.

Further, official dropout rates frequently underestimate the number of young people who fail to finish. Chronic truants are virtual dropouts. Although they are carried on the school district's books, they are never in school long enough for it to make a difference.

While black and Hispanic youth are one and a half to two times more likely to drop out of school than white teenagers, this difference is primarily due to the greater poverty rates suffered by these minority groups. Non-poor black youth drop out at a rate (9.3 percent) that is only marginally higher than that of white youth (8.6 percent). Among all young people from poor families, the proportion of blacks who fail to graduate from high school (24.6 percent) is lower than that of whites (27.1 percent).

Regardless of race, students from poor families are three to four times more likely to drop out than those from more affluent households. In large public school districts in our major cities, where the great majority of students come from poor families, dropout rates frequently exceed 40 percent.

Percentages of Persons Ages 20-21 Who Are Not Enrolled In School and Are Not High School Graduates, by Race and Poverty Status, 1983



A growing tendency to hold students back while keeping them in school also has created illusions of progress without actually boosting student achievement. Every year some 10 million children are held back a grade. Between 1977 and 1983, the segment of the student population that had repeated or was repeating a grade grew by one-fourth (from 17.6 percent to 22.1 percent), and among black students the increase was even more dramatic (from 23.8 percent to 30.8 percent). Black students ages sixteen to seventeen now are nearly twice as likely as whites to be at least one grade behind in school, and more than three times as likely as white students to be two years behind.

This practice can be self-defeating and is always costly. Research evidence suggests that most children who fail to master material in a first school year gain little by repeating it a second year. Yet it costs school districts an average of $3,400 a year to hold a child back in school. Of course, our schools cannot simply promote students who have not learned enough to move into the next grade. Instead, they can prevent much of the need for costly grade repetition by investing more resources in compensatory programs that give at-risk children the extra help they need to learn and advance in school.

Young women who fail in school are at higher risk of too-early pregnancy and parenthood. Those with the poorest basic skills are nearly five times more likely to have given birth to at least one child before reaching age eighteen than those with average academic achievements. The responsibilities of parenthood make it even more difficult for teenage mothers to continue in school and graduate.

Teenagers who fail to complete high school often face bleak futures with limited prospects for self-sufficiency. More than half of all black youths and more than one-fourth of all white youths who lack high school diplomas are unemployed. For many, the combination of dropping out of school, early parenthood, and narrowing job opportunities adds up to a life of poverty and deprivation for themselves and their children.

Our schools can help avert these outcomes. Too often, however, instead of developing each child's potential, schools undermine it by relying upon inaccurate expectations based on a child's race, gender, and economic status. To make our schools more effective, we must tackle four basic problems: the disparities in school funding between poor and affluent communities, the achievement gap between white and minority students, the inadequacy of current school programs to prepare youth for the world of work, and the resulting large numbers of secondary students who drop out or fail to progress in school.

FEDERAL EFFORTS TO PROMOTE EDUCATIONAL ACHIEVEMENT

In recent decades, the federal government has carved out an important role in public education: reducing inequities in educational opportunity by providing assistance to children who are disadvantaged, handicapped, or facing language barriers. Although they have been substantially weakened under the current Administration, these federal initiatives have helped move us closer to the goal of equal educational opportunity for all American children.

Millions of disadvantaged children have received the help they need to keep up in school through the federal compensatory education program (formerly Title I, now Chapter 1), the largest and most important vehicle for enhancing their educational opportunities. Chapter 1 funds help support remedial education programs in schools -- usually elementary schools -- that have a large proportion of students from low-income families. The program gives poor children the extra help they need to keep from falling behind their peers at less than a quarter of the cost of retaining them in a grade.

Handicapped students won the legal right to an education tailored to their needs with the passage of the Education for All Handicapped Children Act, Public Law 94-142. Before the law was enacted in 1975, forty-eight of the forty-nine states with compulsory school attendance laws, along with the District of Columbia, excluded many handicapped children from school. Federal surveys in the early 1970s found that more than 40 percent of school-aged children with handicaps were not being served in public schools. Under Public Law 94-142, schools must develop an individualized education program for each handicapped child, provide special services in response to his or her unique needs, and, to the maximum extent possible, offer regular school settings for learning.

Students with limited English proficiency are helped in their learning by federal funds for bilingual education. This targeted assistance seeks to overcome the language barriers faced by students from non-English-speaking families, including growing numbers of Hispanic and Asian students. Federal grants to states and local school districts support the hiring of teachers with bilingual skills and the development of targeted programs that allow students with limited English proficiency to be taught both in English and their native language.

Prior to 1981, the federal government also provided targeted funds to promote school desegregation. In 1981 Congress and the Reagan Administration consolidated this program and a number of other federal initiatives (including support of school improvement efforts) into an education block grant -- Chapter 2 of the Education Consolidation and Improvement Act.

Federal efforts in higher education have been less clearly targeted on disadvantaged youth, but have helped many who otherwise could not have afforded to go to college. Direct grant aid to low-income students is provided through the means-tested Pell grants. The College Work-Study program also helps low-income students by providing federal funds for their employment. Some low-income first-generation college students also receive supportive services, such as counseling and tutoring, through federally funded TRIO projects, including Educational Opportunity Centers, Special Services for Disadvantaged Students, Talent Search, and Upward Bound. Federal loan assistance is available to both low- and middle-income students.

The National Assessment of Educational Progress (NAEP) provides clear evidence that federal education programs make a difference. Data collected between 1970 and 1982 show improvements in academic performance within those curriculum areas, grade levels, geographic regions, and groups of students and schools that were targeted for federal aid. In contrast, academic achievement in areas not targeted by federal education funds remained stagnant or lost ground, NAEP data demonstrate.

Further, the effectiveness of specific initiatives has been assessed and evaluated carefully:

- Reading gains by black students: According to the NAEP, younger black students made steady gains in reading achievement during the 1970s, narrowing the gap between black and white test scores by 40 percent. Federally funded compensatory education is considered to be the primary catalyst of these gains. In the 1980s, older black students who were given this good start have continued to do well. Among younger black children, however, the remaining gap is not closing: further gains have not been made, an unsurprising result given the declining numbers of children receiving federal support for compensatory education.

- Greater achievement through compensatory education: The Sustaining Effects Study of Title I programs by the U.S. Department of Education confirmed that children who receive compensatory education services achieve higher reading and mathematics scores than similar children who do not have access to this program.

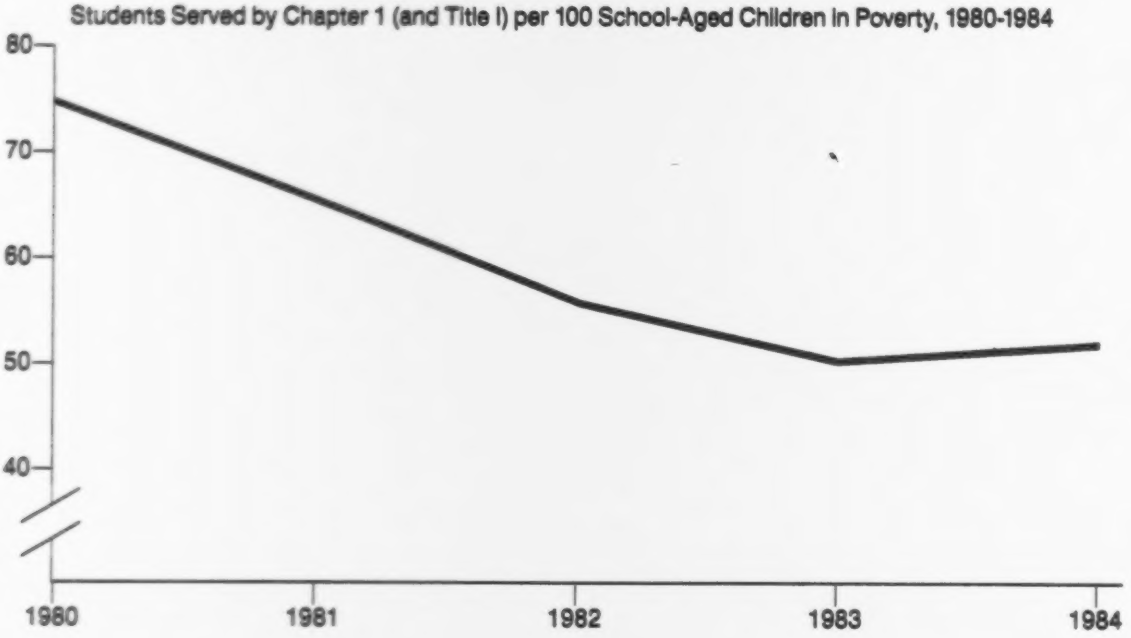
- Effective teaching for students with limited English proficiency: Educational researchers have documented that students with limited English proficiency learn more quickly when they receive bilingual instruction or participate in English-as-a-second-language (ESL) programs such as those now provided by federal funding.

- Expanding access to higher education: The expansion of federal student aid programs and supportive services for poor and minority students enabled many more black youths to pursue higher education. By the late 1970s, black high school graduates were going on to college at the same rate as their white peers. Low-income students served by TRIO programs such as Upward Bound and Special Services to Disadvantaged Students are more than twice as likely to complete their first year in college and four times as likely to earn a college degree as nonparticipating low-income students.

These results prove that a strong federal role in education is essential to ensure that poor and minority children in America have an equal opportunity to achieve in the classroom and in later life. Federal education assistance can help fill the resource gaps in less affluent states, communities, and neighborhoods so children from low-income families receive the same educational advantages as their better-off peers. Further, strong federal leadership is needed to guarantee equal access to educational opportunities without regard to race, sex, or handicap, and to assure that schools provide the special assistance many children need to learn. Finally, by conducting research and disseminating findings from across the nation, the federal government is uniquely positioned to help our state and local school systems do a better job of teaching all children.

Millions of American children were just beginning to benefit from federal education programs when the Reagan Administration weakened the federal commitment to equal educational opportunity in the early 1980s. The federal government's share of the nation's total education expenditures has been cut from 9.2 percent in 1979-1980 to 6.2 percent in 1984-1985. As a result of this sharp decline, only a fraction of the children in need of assistance can now be served by federal education programs:

- While the number of poor school-aged children has risen by 2 million since 1979, the number who are receiving federal compensatory education services has fallen dramatically. In 1984, 550,000 fewer students were served under Chapter 1 than under the Title I program, as it was then called, in 1979. As a result, compensatory education programs served only fifty-two students for every 100 poor school-aged children in 1984, as compared to seventy-five per 100 such children in 1979.



- Recognizing the extra costs of educating handicapped children, the federal government in P.L. 94-142 pledged to support these activities in an amount equal to 40 percent of the national average per pupil expenditure for all students. The federal government's contribution to handicapped education now stands at only 8 percent of that average expenditure, or $291 per handicapped child.

- Students with limited English proficiency scored at least twenty points lower (on a scale of 100) in reading than their classmates in 1983-1984. If anything, these data understate the low achievement of language-minority students because they exclude those who do not understand enough English to take reading tests. More than half of all students with limited English proficiency are not enrolled in either bilingual or English-as-a-second-language (ESL) classes.

- When desegregation assistance and other programs were folded into the Chapter 2 block grant, overall funding was cut by 25 percent. Almost one-third of the funds folded into this block grant had provided aid under the Emergency School Aid Act to school districts in the process of desegregation. The new law, however, had few restrictions on what states could do with the reduced funds they received. As a result, large cities with heavy minority populations lost a major share of their federal education dollars. For example, Seattle lost 89.6 percent of its federal funding ($6.3 million) and St. Louis lost 91.6 percent ($7.1 million) between 1980-1981 and 1982-1983.

- Data from individual states on the use of Chapter 2 funds indicate a dramatic shift away from the long-standing federal priority of equal educational opportunity. For example, a recent survey of Florida school districts revealed that 82 percent are using Chapter 2 funds to purchase computers, while only 5 percent are using these funds to support school desegregation efforts.

- While the average cost of attending college increased by 49 percent for private institutions and 43 percent for public institutions between 1980-1981 and 1984-1985, the average Pell grant award increased by 29 percent and the maximum Pell grant by only 9 percent. Overall federal funding for Pell grants dropped by 5.7 percent (after adjusting for inflation) between 1980-1981 and 1985-1986.

Our federal commitment to education, while helping many of our youths to improve their achievement, has been increasingly insufficient to remove the lingering barriers facing many of the disadvantaged.

While the federal government has been retreating from its efforts to make sure all children get a decent education, most states have been focusing more attention on problems in public schools through education reform efforts. While these state initiatives have been useful in pointing out the importance of investment in public education, most have not yet addressed the problems of poor and minority students who fall behind in school. For example, forty-three states have raised academic requirements for high school graduation since 1982, but only nineteen states have taken any steps to strengthen remedial or compensatory education programs to help low-achieving students meet these higher standards.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

The Reagan Administration's FY 1987 budget calls for major reductions in overall federal spending for education. Total education funding would be cut from the $18.4 billion appropriated for FY 1986 to $15.2 billion in FY 1987, a 17 percent decrease. The Administration also proposes to achieve many comparable reductions during FY 1986 through proposed rescissions that, when added to scheduled Gramm-Rudman cuts, would lower 1986 education spending to $16.7 billion.

First, the President proposes that FY 1987 funding for a number of the major federal elementary and secondary education programs be frozen at FY 1986 appropriated levels: $3.69 billion for Chapter 1, $529 million for Chapter 2 block grants, and $143 million for bilingual education.

The Department of Education portion of the budget documents cites Chapter 1 as a significant federal priority, and touts the proposed freeze on elementary and secondary education programs as an achievement. But the Administration's failure just to offset the effects of inflation in these programs will result in substantial declines in numbers of children served. For example, under this proposal, 260,000 fewer children would receive compensatory education through Chapter 1. And no provisions are made to reduce the large unmet needs for federal elementary and secondary education services.

In other areas, the Administration's FY 1987 budget proposes substantial reductions in important programs. Programs to be cut include:

- Handicapped education: Federal support for education of the handicapped would be reduced by $108 million, dropping from $1.41 billion in FY 1986 to $1.30 billion in FY 1987. Of this total, $80 million would be cut from the state grant program for handicapped education, wiping out a modest increase in funding from FY 1985 to FY 1986.

- Migrant education: The Chapter 1 migrant program would be cut 23 percent, from $265 million in FY 1986 to $203 million in FY 1987. An estimated 156,000 children from migrant families would lose compensatory education services under this proposal.

- Immigrant education: Since 1984, the federal government has supported special bilingual education services for immigrant children who have attended school in the United States for fewer than three years. The Administration proposes to drop funding for this program from $30 million in FY 1986 to zero in FY 1987.

- TRIO programs: The Administration's budget proposals would reduce by 55 percent federal support for programs that help disadvantaged students enroll and remain in college, cutting overall funding from $183 million in FY 1986 to $82 million in FY 1987. The budget also proposes to combine the TRIO programs, along with related federal efforts, into two consolidated programs -- the Postsecondary Outreach program and the Special College Services program -- at sharply reduced funding levels.

In addition, the President proposes to abolish a number of smaller federal education programs that were established to address specific national priorities or responsibilities. Programs slated for elimination in the Administration's FY 1987 budget include:

- Training and advisory services authorized under Title IV of the Civil Rights Act to provide technical assistance and training to school districts that are in the process of promoting desegregation ($24 million in FY 1986).

- The Follow Through program, which bolsters the gains made by Head Start children through educational services in the early elementary school grades ($7.5 million in FY 1986).

- The Women's Educational Equity Act, which is designed to ensure equal access to educational opportunities for girls and women ($6 million in FY 1986).
- The Excellence in Education program, established in 1984 to demonstrate successful techniques for improving the quality of education ($2.5 million in FY 1986).
- Public library services and construction assistance, intended to ensure that all communities have access to public libraries ($127.5 million in FY 1986).

At the same time that the Administration insists that cuts in federal help to public schools are necessary to meet budgetary constraints, the President continues to advocate massive new expenditures for private schools through his proposal to create tuition tax credits. (Low-income families, which often cannot afford any tuition costs and also have limited tax liability, would generally be unable to benefit from tuition tax credits.) The Administration's tuition tax credit proposal would defray some private school costs for families with annual incomes of less than $60,000, and would cost the federal government at least $2 billion in lost tax revenues over the next three years, a total equal to or greater than all spending "savings" proposed for federal elementary and secondary education programs during that period.

A further education proposal included in the Administration's FY 1987 budget also would favor private schools at the expense of public schools. It would dramatically change the current Chapter 1 program by allowing parents to receive aid in the form of vouchers which could be used to defray the cost of tuition or compensatory education at either private or public schools. The voucher proposal threatens both to destroy this program's successful focus on compensatory education and to destabilize the financial base of public schools that already are struggling to meet the educational needs of large numbers of low-income children. It offers no assurances that voucher funds would be used only for compensatory education, and inadequate safeguards to protect against use of voucher funds by private schools that discriminate.

The largest education spending cuts in the Administration's FY 1987 budget are targeted on federal student financial aid programs. Under these proposals, 1.4 million students would lose all federal help for meeting college expenses. Overall federal spending for post-secondary education in FY 1987 would be slashed more than $2.2 billion (26 percent) below FY 1986 appropriation levels.

Student aid programs targeted on low- and moderate-income families would lose $1.1 billion as a result of the President's proposals, a reduction of 22 percent. The impact on the total number of student aid awards (some students receive help from more than one program) would be considerably greater, cutting them by 37 percent from 5.5 million in FY 1986 to 3.5 million in FY 1987.

To achieve these deep reductions, the FY 1987 budget proposes numerous changes in the structure and size of federal student aid programs. The most significant cuts affecting students from low- and moderate-income families include:

- Pell Grants: The Administration would increase expected family contributions, eliminating from the program students with small grants, and institute a new requirement that all students receiving these grants make a minimum contribution of $800. The total number of recipients would drop by 22 percent and federal expenditures under the program would be cut from $3.6 billion in FY 1986 to $3 billion in FY 1987. As a result, an estimated 700,000 fewer students would receive federal Pell Grant aid.

- College Work-Study Program: The FY 1987 budget proposes a consolidation of the federal College Work-Study and Supplemental Grant programs, with combined funding reduced by 60 percent (from $1 billion to $400 million.)

- National Direct Student Loans (NDSL): While proposing to increase the amount that students can borrow, other Administration proposals would result in a sharp increase in the interest cost burden facing low- and moderate-income students who are eligible to receive Direct Student Loans. The number of NDSL recipients would be cut nearly in half, falling from 895,000 in FY 1986 to 484,000 in FY 1987 under the budget plan. The President's proposals also would restrict eligibility and sharply reduce current interest subsidies under the Guaranteed Student Loan program.

Amid the many cuts in student aid for young people, most of which would hit low- and moderate-income students hardest, the Administration has put forward one call to spend more money -- primarily for students from middle-class families. The President proposes to establish Education Savings Accounts to help finance the college education of children from families with annual incomes up to $60,000. Parents could deposit up to $1,000 per year in special accounts to be used for future college expenses of dependent children and avoid paying taxes on the interest earned on those savings. The proposal would cost an estimated $200 million in FY 1988 and $300 million in FY 1989, wiping out a considerable part of the "savings" from cuts in programs targeted at needy students and their families.

FY 1986 Rescissions and Gramm-Rudman Cuts

The President also proposes large rescissions of education spending totaling more than $1 billion in the current fiscal year. For example, the Administration seeks to rescind a total of $202 million for College Work-Study and Supplemental Education Opportunity Grants, which in combination with this year's Gramm-Rudman cuts would push 390,000 students out of these programs during the current fiscal year.

Moreover, while the budget reductions proposed by the Administration for FY 1987 fall most heavily on student aid programs for post-secondary education, no federal education program (except, to a limited extent, the Guaranteed Student Loan Program) is exempt from across-the-board spending cuts under Gramm-Rudman. For example, Chapter 1 compensatory education is scheduled for a $159 million Gramm-Rudman cut on March 1, 1986.

CDF RECOMMENDATIONS

The federal government must reaffirm its commitment to the goal of equal educational opportunity. Children have widely varied learning needs. Some have special talents that must be allowed to flourish, while others face learning barriers that must be overcome. Federal education policies must respond to these differences, strengthening opportunities for all children to realize their full potential and ensuring that those less fortunate are not left behind.

Increasing the federal funds for education programs of proven effectiveness -- including Chapter 1 in elementary schools, handicapped and bilingual education, and magnet schools -- represents an immediate first step toward equal educational opportunity. Provisions to expand these programs are included in the Children's Survival Bill.

Building upon this foundation, the federal government also must make investments in education designed to help our disadvantaged youths get the education they need to become self-sufficient adults. The Children's Survival Bill includes the following proposals to build on federal successes in order to assist youths who are behind in school, and help older children who are or soon will be at risk of becoming teen parents:

- Expansion of Chapter 1 in middle schools: While Chapter 1 funding can be used at all grade levels, most school districts focus its scarce resources on elementary schools. Federal support for compensatory education programs in the key middle school years, serving ten- to fourteen-year-olds, would prevent costly grade repetition and increase the chances that more disadvantaged youngsters will progress along with their peers, get a good start in high school, and complete their education.

- Community learning centers: The efforts of schools in low-income neighborhoods are most effective when supplemented by education programs within the community. Out-of-school remedial programs can improve the basic skills of youths who have failed in traditional school settings, while also reinforcing the progress of in-school youths during after-school hours. The establishment of community learning centers in community-based organizations and youth-serving agencies would reach those who are struggling or have failed in school by linking remediation activities with diverse recreational, social, and vocational training programs.

- Dropout Prevention and Recovery Act: This initiative would provide federal support for promising programs that keep at-risk youths in school or encourage dropouts to return to school. It also would set up a nationwide reporting system to eliminate gaps and inconsistencies in existing data on school dropouts and chronic truants.

Finally, the federal government must build upon state initiatives in education reform. While encouraging the development of school improvement programs, the federal government must ensure that low-income and minority students and schools share in the benefits of reform efforts.

Strategies for improving the long-term effectiveness of our public schools include:

- Early childhood education: Based on clear evidence that early intervention helps at-risk children do better in school, the Children's Survival Bill includes two proposals that would draw upon the lessons of successful Head Start programs in the development of school-based early childhood education programs.
- Effective Schools Development Act: This initiative, sponsored by Representative Augustus Hawkins (D-CA), would provide federal funds to local schools that improve the education they offer by adopting creative school-based programs of demonstrated success.
- University-High School Partnerships: This proposed amendment to Title V of the Higher Education Act would encourage the involvement of universities in our high schools to improve the academic skills of disadvantaged high school students and enhance their preparation for employment or post-secondary education.
- Targeting of Chapter 2 block grant funds: A revision of the current Chapter 2 program to emphasize dropout prevention and school desegregation efforts would strengthen the effectiveness of the block grant and promote greater accountability in the use of federal funds.

EDUCATION: FUNDING AND BUDGET REQUESTS, FY1981-FY1987
(in millions of dollars)

program	FY1981 actual	FY1982 proposed	FY1982 actual	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 actual	FY1986 after Gramm-Rudman	FY1987 proposed
Chapter I Compensatory Education	3,514.8	--[b]	3,034.0	1,942.0	3,200.4	3,014.0	3,480.0	3,480.0	3,688.2	3,646.6	3,688.2	3,529.6	3,688.2
Chapter II	536.8[a]	4,361.7[b]	470.4	432.0	479.4	478.9	479.4	728.9[d]	531.9	531.9	528.9	506.2	528.9
Bilingual Education	175.0	140.0	138.0	94.5	137.8	95.0	169.2	139.2	172.9	142.9	172.9	161.8	142.9[e]
Education of the Handicapped	1,103.0	--[b]	1,068.6	845.7	1,199.3	1,110.2	1,240.6	1,214.4	1,321.3	1,306.1	1,411.0	1,349.7[f]	1,303.1
Vocational Education	779.2	623.4	655.8	500.0[c]	728.7	500.0[c]	739.0	738.5	738.5	738.5	838.8	813.1[g]	408.1[g]
Student Financial Assistance	3,356.5	3,793.7	3,569.5	1,800.0	3,617.8	3,567.8	3,986.9	3,654.0	4,871.0	3,569.0	4,887.0	4,675.4[f]	3,812.6
Guaranteed Student Loans	2,523.3	1,773.8	3,073.8	2,484.6	3,090.0	2,047.1	2,253.7	2,840.7	3,078.0	2,714.5	3,300.0	3,280.0[f]	2,329.6
TRIO	159.5	159.5	155.0	82.2	154.7	35.0	164.7	82.4	174.9	82.4	176.4	168.8	82.4

[a] Total FY1981 funding level of Chapter II Block Grant antecedent programs.

[b] Proposed Elementary and Secondary Education Block Grant to consolidate 50 individual programs.

[c] Proposed Vocational and Adult Education Block Grant.

[d] Proposed increase to fund state education reform initiatives recommended by National Commission on Excellence in Education.

[e] Bilingual Vocational Training transferred to Office of Vocational and Adult Education; includes funds authorized under Bilingual Education Act and since FY1984 Emergency Immigrant Education Act.

[f] Excludes funds transferred to Salaries and Expenses.

[g] Includes Bilingual Vocational Training and Community-based Organizations funds.

13. Youth Employment

> Renaldo is nineteen years old and has grown up in New York City. Both of his parents are from Puerto Rico, and his father still lives there. He lives with his mother, stepfather, two brothers, and a younger sister.
>
> Renaldo, disillusioned with school and beginning to get into trouble, dropped out in the eleventh grade. He heard from a friend about Jobs for Youth, a counseling, education, job readiness, and placement program. He chose to participate in its voluntary educational component and also was placed in a job at a photo shop. Subsequently he left Jobs for Youth to enter a skills training program. He credits Jobs for Youth with helping him recognize the need to continue his education and assisting him to do so. After he completed the skills training program, he returned to Jobs for Youth and was placed in a job as a messenger with a law firm. He has since advanced and is doing law-related work.

Entry into the world of work is a key event marking a youth's transition to adulthood. A youth's first full-time job usually carries with it adult responsibilities and expectations of independence and economic self-sufficiency.

All youths need help in making this crucial transition. Their preparation should begin with a good education, including a solid grounding in basic academic skills. As they mature, children need a broad introduction to career options, some first-hand knowledge of realistic workplace demands, and sensible guidance on how to find available jobs. Finally, upon leaving high school or college they need employment opportunities -- a chance to work and earn a decent living that will allow them, in turn, to support themselves and their children.

Society's stake in meeting these needs is obvious. As tomorrow's skilled workers, managers, and business leaders, the next generation will be responsible in large part for America's competitiveness and prosperity in the year 2000 and beyond. By preparing our youth for the world of work, we also reduce the economic and social costs associated with joblessness: teenage pregnancy, substance abuse, crime and delinquency, persistent poverty, and welfare dependency.

For most young people, public schools (and for some, private schools) provide much of the necessary foundation for entry into the world of work. High school graduates from middle- and upper-income communities generally have the requisite academic skills for entry-level jobs, and most of them go on to college, strengthening their competitive edge in the job market. Further, among more advantaged youngsters, this formal education often is supplemented by help from family members and friends who serve as role models, provide encouragement and advice, and in some cases ensure direct access to job opportunities.

The quality of schooling a child receives depends on the widely varied resources of state and local governments, which provide the bulk of direct support for public elementary and secondary schools. Because of this, children from middle- and upper-income families living in more affluent areas are far more likely than poor children to get the solid early preparation they need. After high school, more advantaged children are also more likely than their less well-off peers to get help in making the transition to the adult workforce. For example, young people who go on to college (of whom a disproportionate number come from middle- and upper-income families) benefit from a total of nearly $9 billion in federal funds for student aid and grants to colleges each year. In contrast, teenagers who seek to go directly from high school into the labor market (more of whom are from low-income families) are far less likely to receive help through federally funded programs.

MANY LOW-INCOME YOUTHS LACK EITHER WORK PREPARATION OR A DECENT CHANCE FOR EMPLOYMENT

Currently, our nation is failing to provide many poor and minority youths with either the skills or the opportunities to work and support themselves.

The potential costs and risks of this neglect are enormous. By 1992, each older American receiving Social Security will be supported by only three workers (compared to seventeen workers in 1950), one of whom will be a minority worker. By 2020, minorities will make up one-third of the entire U.S. population. As the size of our total youth population decreases, we cannot afford to ignore the needs of this large and growing segment of the next generation, on which the quality of life for all Americans, regardless of age or race, will come to depend.

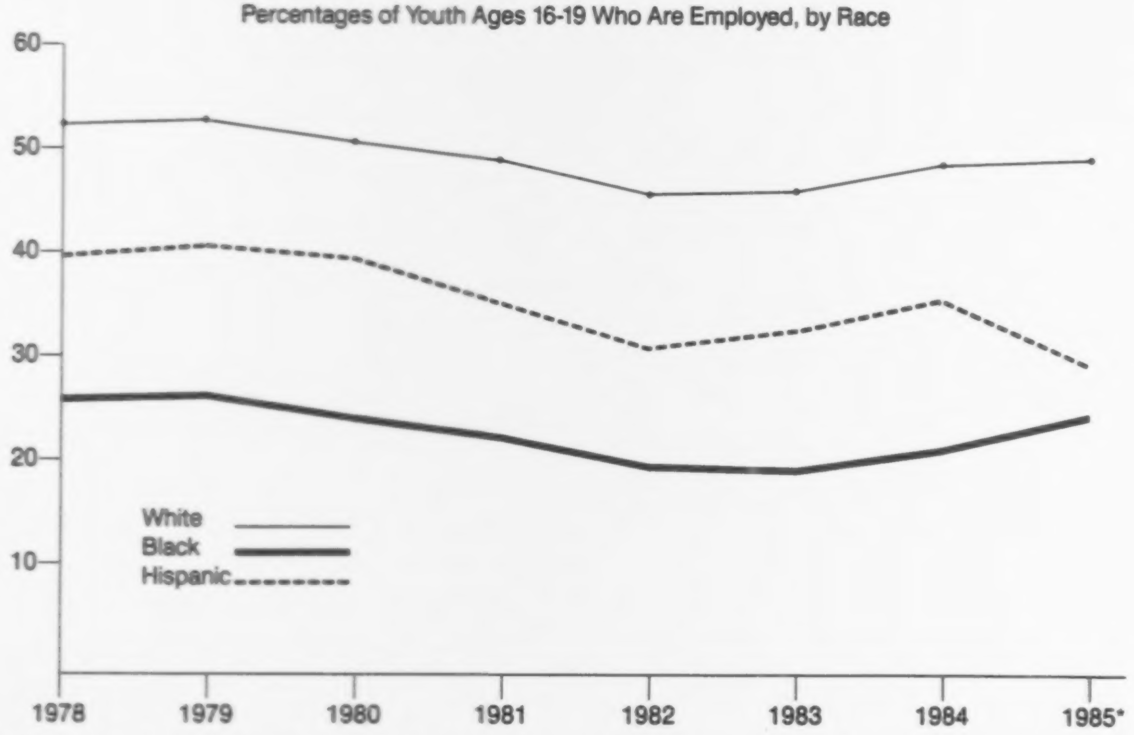
Poverty is the single most serious impediment to many youths' educational achievement and subsequent transition from school to work. Children from families with incomes below the poverty level are one-third less likely to graduate from high school than those from above-poverty households, and they are less than half as likely to complete at least one year of college. Only 42.6 percent of black and 52.8 percent of white eighteen- to twenty-one-year-olds from impoverished families in 1983 had earned high school diplomas. The chances of a black high school graduate from a poor family going on to college are particularly bleak: fewer than one in five complete even one year of postsecondary education.

Poverty, and the related poor quality of public schools in many low-income neighborhoods, are major factors that cause so many poor and minority youths to drop out. Young black men are about 70 percent more likely to drop out of school for financial reasons than young white men, a reflection of the greater poverty rates suffered by minorities. Dropout rates in many urban school districts now exceed 40 percent, soaring as high as 75 percent in depressed neighborhoods like New York's South Bronx.

The percentage of poor and minority youths who graduate with solid academic skills from public schools in our major cities is frighteningly low. In Chicago, 18,000 students graduated from public high schools last year, fewer than half of the 39,000 who entered the ninth grade four years earlier. Among the graduating seniors, only an estimated 6,000 young people (less than one-sixth of the original class) could read at the twelfth grade level.

Even those young people who beat these odds and do obtain the requisite skills for entry-level work face Depression-era unemployment rates in the youth job market. The number of employed youths (age sixteen through nineteen) dropped from 8 million in 1979 to 6.5 million in 1982, a reflection of the deep 1981-1982 recession. Despite some improvements in other sectors of the economy, however, youth employment has dropped even further since 1982: in December 1985, 6.3 million sixteen- to nineteen-year-olds were employed, 200,000 below recession levels.

While the overall youth population (ages sixteen to nineteen) declined by 11.5 percent between 1979 and 1984, the number of



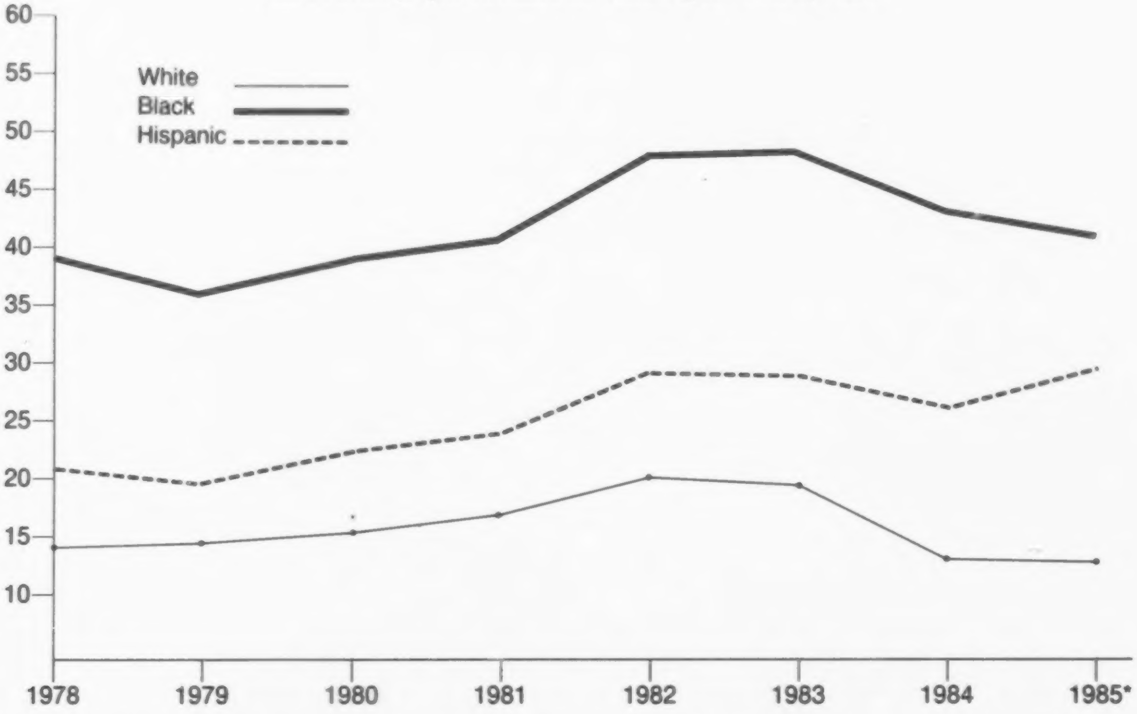
*White and black rates based on monthly data for December 1985, seasonally adjusted. Hispanic rate is for November 1985, not seasonally adjusted.

employed teens has dropped even faster -- by more than 20 percent during the same period.

The proportion of teenagers who are working, as a share of the total youth population, thus has dropped during the past several years. A particularly small proportion of poor and minority teenagers actually are employed. Only 22 percent of all black sixteen- to nineteen-year-olds and 29 percent of all Hispanic youths in this age group were employed as of November 1985 -- half the employment rate of their white peers.

Another measure of how youths are faring in the job market is the official unemployment rate -- the percentage of those sixteen- to nineteen-year-olds actively looking for work who can't find it. Poor and minority youths and dropouts make up a disproportionately high number of the 18 percent of all youths who are now officially counted as unemployed. Black teenagers today suffer a much higher unemployment rate: more than 40 percent of black youths who are

Official Unemployment Rates for Youth Ages 16-19, by Race



*White and black rates based on monthly data for December 1985, seasonally adjusted. Hispanic rate is for November 1985, not seasonally adjusted.

seeking jobs cannot find one. The cumulative effects of poverty, inadequate schooling, and lack of employment opportunities are undermining the ability of millions of poor and minority teenagers to become self-sufficient adults.

For poor youths of all races living in low-income neighborhoods within our major cities, the picture is just as bleak. The official unemployment rates for all such youths age sixteen to nineteen reached 41.7 percent in 1983, nearly twice the national average for all sixteen- to nineteen-year-olds. Black youths in urban poverty areas faced a jobless rate of 56.3 percent, leaving them three times more likely to be unemployed than white teenagers living in non-poverty areas in 1983.

While a high school diploma significantly improves a young person's chance of finding a job, even high school graduates have not been shielded from the harsh effects of deteriorating employment conditions. The unemployment rate for all high school graduates ages sixteen to twenty-four and not enrolled in college stood at 25.5 percent in 1983, nearly double the 14 percent jobless rate for this group in 1978. This problem is worse among black youths. More than half of all young black high school graduates not enrolled in college were unemployed in 1983, making them more than twice as likely to be unemployed as white high school dropouts, their less well-educated peers (54.1 percent vs. 25.7 percent).

Alarming as they are, these official estimates of the youth unemployment problem do not tell the whole story. These calculations leave out many teenagers who have become so discouraged by the lack of job opportunities that they have given up looking for employment. In 1984, 156,000 youths aged sixteen to nineteen were counted as "discouraged workers." If this group were added to the total of those who are officially unemployed, the "real" jobless rate for all teenagers would rise to nearly 21 percent.

The high rate of adolescent pregnancies and the resulting increase in school dropout rates compounds many teens' employment problems. Half of all twenty- to twenty-six-year-old women in 1983 who had borne their first child before the age of eighteen had failed to get a high school degree, thus lessening their chances for employment. The problem affects young fathers as well. According to a report prepared by the Massachusetts Alliance of Young Families, many young fathers quit school to help support their families and therefore have lower educational levels and poorer paying jobs than those who delay parenthood.

As a result of the teen pregnancy crisis, many young people seeking jobs today are mothers and fathers. In 1983, more than half a million persons (508,000) under the age of twenty-two were heads of households with young children. Of that group of young family heads, more than one in four (130,000) was unable to find work for all or part of the year. The poverty rate for all family heads younger than twenty-two with children was 56.9 percent in 1983. Even where a parent worked a full year, more than one in five young family heads (22.6 percent) remained poor.

FEDERAL PROGRAMS THAT MAKE A DIFFERENCE

During the past two decades, the federal government has made some modest efforts to ease youths' transition to the world of work by supporting programs that enhance their skills and increase their opportunities to gain work experience. A range of federal programs have tackled this challenge with limited resources but often with good results. While some programs have not worked well, the lesson of the overall federal experience with youth employment initiatives is that they can play an effective role in moving young people toward work and eventual self-sufficiency.

The two longest-established federal programs for poor and minority teenagers are the Job Corps and the Summer Youth Employment Program. Job Corps, started in 1965, provides disadvantaged youths with basic education, vocational training, and (because it is a residential training program) supportive services such as food, housing, medical care, and counseling. The Summer Youth Employment Program serves a much larger number of disadvantaged young people in more limited ways, generally offering just work experience, for up to ten weeks during the summer months.

A more ambitious set of employment and training programs for youth was launched by the federal government during the late 1970s. Unfortunately, these promising experiments were a small part of the employment and training efforts funded under the Comprehensive Employment and Training Act (CETA), and the increasingly negative public image of many other parts of the CETA program, plus budget cutbacks, led to the elimination of the youth initiatives in 1981.

In 1982, Congress approved the Job Training Partnership Act (JTPA), a training program for economically disadvantaged Americans, including teens. JTPA is funded at levels well below those of CETA, and contains sharp restrictions on the use of its funds to create work opportunities for young people. Therefore, most JTPA programs reach a small fraction of disadvantaged teenagers and provide them only with relatively short-term classroom training. The law requires that 40 percent of all JTPA funds be spent on programs for youths, including high school dropouts. But the federal government is not monitoring the states' often lackadaisical efforts to carry out this mandate.

The structure and implementation of JTPA have hampered efforts to help those young people most in need of assistance. Many JTPA programs refuse to accept individuals into training unless they are able to read at an eighth or ninth grade level, an entry requirement that effectively precludes participation by most high school dropouts. The Reagan Administration has emphasized quick job placements at the expense of more comprehensive programs to solve the long-term job problems of hard-to-serve youths. This pattern has made it particularly difficult for young women, including teen mothers, to get help through JTPA programs. According to a recent report on New York City JTPA programs by the Center for Public Advocacy Research, inadequate support services in areas such as child care, along with under-representation of female participants in training programs for higher-paying jobs, have limited JTPA's effectiveness in assisting young women.

The federal government also devotes substantial resources to vocational education programs in public schools. However, this investment often does little to address the employment problems of minority and poor youths. Many vocational education programs offer them only the most general introduction to occupational skills. Some carefully structured cooperative education programs are noteworthy exceptions, building strong linkages between schools and private employers and encouraging students to combine academic course work with on-the-job experiences.

A strong federal role in youth employment and training has proven to be essential. Private employers generally will not risk their money to train poor and minority teenagers. The federal government, through its handling of the economy and through its social programs, can reduce the unemployment levels facing our youths and expand their opportunities for training and work. It is also able to experiment with varying aproaches and publicize effective strategies for increasing youth employment.

Several past and current federal initiatives have shown how different approaches can enhance employment and training opportunities for poor and minority young people:

- Job Corps: Even among young people with multiple problems (the vast majority of Job Corps participants are economically disadvantaged high school dropouts with an average sixth grade reading level, and many have prior arrest records), Job Corps increases employment, earnings, and school completion while reducing crime and welfare dependency. Research has shown that every dollar invested in Job Corps yields $1.45 in benefits to American society.

- Youth incentive entitlement pilot projects: During the 1970s, disadvantaged youths in seventeen experimental sites were guaranteed minimum wage jobs part time during the school year and full time during the summer months, on the condition that they remain in or return to school. The projects demonstrated that large numbers of work-experience opportunities could be created for poor and minority youths, and that employment rates for sixteen- to nineteen-year-olds could be increased substantially through such an earned job guarantee. Evaluations suggest that participants continued to earn more than nonparticipants after the guaranteed job programs ended.

- Remediation linked to work experience: Federally sponsored remedial programs that rely upon individualized, self-paced instruction combined with work experience have proved extremely effective in strengthening basic academic skills. Job Corps remediation efforts helped participants improve their reading skills by an average of one and a half grade levels and their math skills by one grade level after only ninety hours of instruction. Similar gains have been achieved in military remedial education programs, as well as in nonresidential programs such as the Adult Performance Level (APL) system.

- Vocational skills training: Young participants in on-the-job or classroom training programs under CETA fared substantially better as a group, earning more during the two years following training than did comparable youths who did not participate. These results varied considerably for subgroups of the youth population, however, and the inconsistent quality of training programs operated under CETA diluted their potential impact. Nonetheless, intensive vocational skills training appears to yield clear and lasting benefits for disadvantaged youths.

Despite evidence that federal programs can make a difference in youth employability, our commitment to youth employment and training programs has fallen far short of meeting the needs of most poor and minority teenagers. The Summer Youth Employment Program, which offered summer job opportunities to nearly 1 million young people when President Reagan took office, served just over 750,000 last year. Overall federal support for training and subsidized employment for both adults and youths has dropped dramatically, falling from more than $9 billion annually at the beginning of the Reagan Administration to less than $4 billion today. Even the Job Corps, an exemplary program that has survived Administration attacks and currently serves roughly the same number of youths (90,000) as in 1981, reaches only about one in eighteen of the 1.5 million teenagers officially counted as unemployed at the end of 1985.

Many states and communities are trying to fill some of the gap left by federal budget cuts. Thirty-four youth conservation corps or community service programs have been established at state or local levels, although most state programs remain relatively small. In addition, some states such as Minnesota have launched broader state job creation programs that, while not targeted at youths alone, offer employment to substantial numbers of teenagers. Nonetheless, state and local efforts by themselves cannot meet the need. A more comprehensive federal attack on the youth employment problem is necessary.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

The Reagan Administration's FY 1987 budget proposals represent a further abandonment of federal responsibility for providing work skills and opportunities to the next generation, and a shortsighted refusal to invest in its future self-sufficiency. The President proposes cutting nearly half of all federal employment and training funds targeted exclusively on youths.

Cuts in federal investments for youth employment proposed by the President for FY 1987 include:

- The Summer Youth Employment Program (SYEP) would be funded at $428 million, roughly half of the federal funding level in FY 1985 and a 33 percent reduction from already low FY 1986 levels resulting from deep appropriation cuts and the Gramm-Rudman reduction. Under the President's proposal, the total number of youths participating in summer jobs programs would drop from more than 750,000 to 425,000, eliminating summer employment opportunities for more than 325,000 teenagers. The budget proposal also includes a request to rescind $208 million of the FY 1986 funding, which would bring SYEP down to $428 million in 1986 as well as 1987.

- Job Corps also would be slashed nearly in half by the President's FY 1987 budget proposals. After attempting unsuccessfully to eliminate Job Corps in FY 1986, the Administration proposes to cut funding from $640 million to $352 million by closing many of the 107 Job Corps centers and a 45 percent reduction in the number of youths served. To begin phasing down the Job Corps program as early as May 1986, a rescission of $196 million for FY 1986 also is proposed.

- Vocational education programs would be cut by more than one-half, with funding reduced from the $850 million appropriated for FY 1986 to $408 million proposed for FY 1987. As in other youth employment programs, the Administration proposes to begin these reductions during the current fiscal year through an immediate rescission of $210 million.

- Basic job training grants to states under Title II-A of JTPA would suffer a small cut in FY 1987. The funding of $1.82 billion would be $43 million less than the appropriated FY 1986 level, but $37 million higher than FY 1986 funding after Gramm-Rudman reductions. Nonetheless, the decline in federal support for job training since FY 1985 ($66 million), when combined with the effects of inflation, will result in more than 30,000 fewer unemployed adults and youths receiving training under JTPA.

Through these actions, the President's budget would wreak havoc on already inadequate efforts to prepare teenagers for work and eventual self-sufficiency. The Administration's proposals belie its rhetoric in support of employment opportunities for disadvantaged young people.

The President's budget cites the need to improve youths' basic skills and target resources on disadvantaged groups, but the Summer Youth Employment Program proposal ignores these important principles through its massive cuts in federal youth employment efforts. The summer jobs program already serves only low-income teenagers who cannot find work, but under the President's plan it would no longer serve those who do not live in our major cities. While the Administration's proposed addition of a remedial education component to the summer program is long overdue, the Administration has neglected to provide resources necessary to support this program improvement.

In proposing to eliminate nearly half of all Job Corps training positions and close many Job Corps centers, the Administration repeats charges of inefficiency made in previous years and continues to ignore exhaustive studies that document that Job Corps yields benefits far greater than its costs. It was this proven effectiveness that led Congress last year to reject the Administration's proposal to abolish this program.

The Administration's request to eliminate all federal support for vocational education not targeted on special populations is similarly misguided. Some reforms to focus vocational education services on disadvantaged youths were approved as part of 1984 amendments to the Vocational Education Act, and more far-reaching changes in the structure and design of the program are necessary. Yet, instead of constructive reforms, the President's budget proposes wholesale retrenchment, ignoring the need for effective school-based programs that help teenagers make the transition to work.

Finally, the FY 1987 budget again proposes a lowering of the minimum wage for young workers hired during summer months to $2.50 per hour (75 percent of the current minimum wage). Congress previously rejected this proposal, recognizing that a subminimum wage for youths would undermine the employment and earnings of adults working at or near the minimum wage, yield little or no net increase in employment of youths, and leave young workers without adequate wages to support themselves. The Administration has been proposing the subminimum wage for several years. During those years, the general minimum wage, simply because it has not been adjusted for inflation since 1981, has fallen in real value by 25 percent. But youth employment levels have not improved. Adoption of a youth subminimum wage in 1986 would have the effect of further depressing wage levels that are already inadequate to support workers and their families, while failing to address the real barriers to employment facing poor and minority teenagers.

CDF RECOMMENDATIONS

To successfully compete in the job market, poor and minority teenagers must have a solid foundation of basic academic skills, as well as meaningful training and work experience. The first step is to improve the quality of public schools to enable all teenagers to keep pace with their peers and to graduate (see Chapter 12).

Yet poor and minority youths also need the hope and motivation that are generated by the knowledge that hard work and sustained effort will lead to a job. Indeed, work itself can be a powerful motivator for those who are struggling to complete their education. Linking a job opportunity to continued school enrollment or alternative remediation activities can provide a much-needed incentive to further learning. Our long-term goal must be to give every young person, regardless of income or race, a sense of hope and a concrete reason to strive and achieve, including a decent job and the skills to perform it.

The federal government can take some immediate steps to move the nation toward a system in which both hard work and learning by poor and minority youths are encouraged and rewarded. They are included in the Children's Survival Bill:

- Add a remediation component to the Summer Youth Employment Program, creating a dynamic balance between work experience and basic skills improvement.

- In federal administration and oversight of the Job Training Partnership Act, emphasize basic skills development for youth and outreach efforts targeted on young high school dropouts.

- Establish a "stay-in-school" program that would provide part-time (full-time in summer) jobs to disadvantaged teenagers on the condition that they remain in school or enroll in an alternative education program.

- Increase federal support for cooperative education programs that help poor and minority youths make the transition from school to work by integrating part-time work experience into related academic curricula.

- Begin to develop, through demonstration projects, a system of youth opportunity accounts designed to reward youth achievements (including high school graduation, voluntary community service, and other positive self-help activities) by awarding credits toward future education, training, or subsidized work experience.

- Boost the federal commitment to Job Corps and the Summer Youth Employment Program to allow them to offer employment opportunities to more disadvantaged youths.

EMPLOYMENT: FUNDING AND BUDGET REQUESTS, FY1981-FY1987
(in millions of dollars)

program	FY1981 actual	FY1982 proposed	FY1982 actual	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 actual	FY1986 after Gramm-Rudman	FY1987 proposed
CETA	7,143.0	3,567.0	3,023.2	0	3,789.3	--	--	--	--	--	--	--	--
Summer Youth	900.0		720.6										
Public Service Employment (II-D)	2,195.0	0	100.0	--	--	--	--	--	--	--	--	--	--
JTPA	--	--	--	2,387.0	3,990.4[a]	3,643.3	3,605.2	3,610.6	3,748.7	2,805.5	3,461.0	3,312.3	2,909.6
Basic Block Grant to States	--	--	--	--	--	--	1,886.2	1,886.2	1,886.2	1,886.2	1,863.2	1,783.1	1,820.0
Summer Youth	--	--	--	724.5	824.5[a]	724.5	724.5	637.5	824.5[a]	664.5[b]	664.5	635.9	428.0
Job Corps	--	--	--	--	621.7	585.6	599.2	600.0	617.0	0	640.0	612.5	351.7
WIN	365.0	--	268.6	11.4	270.8	0	270.8	0	266.8	0	220.0	210.5	0

Includes supplemental appropriation.

Includes $100 million rescission proposed for FY1985.

14. Abused and Neglected Children and Others With Special Needs

Just as every child needs food, clothing, and shelter, he or she needs the less tangible but equally essential protection of a home and family that is nurturing, safe, and permanent. In order to meet our moral obligations to our children and to give them the strong sense of self they will need to be able to succeed in an adult world, we must provide them with physical and emotional support and care, in an environment free of threatened or actual maltreatment.

While the vast majority of our nation's children are growing up in physically and emotionally secure environments, several million of them are not. For a wide range of reasons having to do with their families' problems or their own special needs, their homes are not providing them with the nurturing and protection they need. They include children who have been sexually or physically abused or physically or emotionally neglected, usually by parents or other caretakers. Among their numbers also are children who have special emotional problems that are difficult for their parents or other caretakers to deal with alone.

Such problems can be found among children and families from every income level and racial or ethnic group. The phenomenon of child abuse, for example, cuts across all income levels. However, it is clear from data and research that America's poor children, whose families are under great strain from their struggle for basic survival, are at higher risk of abuse, neglect, or other special problems. Where these problems do occur, they are compounded by poor families' lack of resources to deal with them promptly or effectively. Poor children are then more likely to come to the attention of the formal child-caring systems, such as child welfare, juvenile justice, or mental health.

Some children -- poor and non-poor -- end up living apart from their families as wards of the state in foster family homes, group homes, or institutions. Some run away from home or commit offenses, bringing them to the attention of the juvenile justice system (see Chapter 15).

Too often, these out-of-home settings repeat the failure of the home to provide the supports these children need. Children with severe emotional problems frequently fall through the cracks of this patchwork system, with no setting accepting responsibility for them.

The costs of failing to address the special needs of these children early on are high -- for the children, their families, and society as a whole. Without timely, effective intervention they are at risk of ending up unemployed, dependent on public assistance, in jail, or institutionalized for long periods of time. Kentucky's Children, a recent report by that state's Governor's Protective Services Advisory Committee, said it well: "The gradual decay in the services provided our troubled children is eroding the social fabric of this state. No community of people can hope to prosper that so flagrantly neglects the needs of its youth."

CHILDREN WITH SPECIAL NEEDS: A GROWING DEMAND FOR SERVICES

It is impossible to paint a precise demographic portrait of America's children with special needs. Exact figures on the numbers of children in each category -- the victims of abuse and/or neglect, foster care children, and the emotionally troubled -- do not exist. There is enormous overlap among these groups, and children with multiple problems are apt to be counted several different ways. Yet, pieced together, the mosaic of different reports and estimates reveals the growing demands these problems are putting on existing service systems.

Victims of Abuse and Neglect

> Bobby's very young mother had asked relatives to look after him when she separated from her husband. The boy,

> aged two and a half, was placed in foster care after an anonymous complaint that he was being abused by a relative with whom he was living. His mother now is trying to get him home, and the agency is helping, but the odds are against her because of a history of little education, infrequent employment, low wages, a serious drug problem, and several arrests. She is visiting Bobby regularly. She found an apartment on her own, but was just evicted because she had no money for rent. It will be harder for her to get general assistance without a permanent address, and she's not eligible for Aid to Families with Dependent Children (AFDC) until her son is returned.

Reports of child abuse and neglect continue to rise nationwide, reaching 1.7 million children in 1984 -- up 16 percent from the year before and 39.8 percent since 1981, according to the American Association for Protecting Children, a Division of the American Humane Association. There is no single reason for the rise in these reports. Increased public awareness of the problems of abuse and neglect, particularly sexual abuse, has contributed. So have economic hardships and the stresses they cause, coupled with cuts in preventive social services like those provided by community mental health centers.

And as more families have to rely on public support, more families come to the attention of the child welfare system.

Children reported abused or neglected span all age groups. Their average age is seven; 43.7 percent are younger than six; 24 percent are older than twelve. Almost 68 percent of the children are white.

Neglect is the most frequently reported type of maltreatment, accounting for 41.7 percent of the reports. Abuse alone accounted for 33.3 percent, and abuse and neglect together accounted for 16.8 percent. Almost always, perpetrators are those with whom the child lives -- in 86 percent of cases, the child's parent.

A profile of families in which abuse and/or neglect has been reported reveals that many face severe economic problems. More than half of the families that were the subject of such reports in 1984 were receiving public assistance. Thirty-two percent were families grappling with the problem of unemployment. Poor economic and living conditions were evident in 47 percent of the families. In addition, federal data suggest that the incidence of abuse and neglect among very low-income families is as much as ten times higher than among middle- and upper-income families.

It is important to note that all of these figures are necessarily skewed by two major reporting biases: the more frequent contact of public agencies with poor families and the preponderance of neglect (the problem most closely linked to poverty) among these reports. Nonetheless, the data suggest strongly that poverty and its related stresses put children from poor and unemployed families at substantially greater risk, particularly of reported neglect.

Children in Foster Care

A second group of children with special needs are those not living with permanent families -- children in foster care. Today they number about 300,000, approximately half of whom entered care because of abuse or neglect in their homes. Homelessness is another frequent contributing cause. It was a factor in the placement of 40 percent of the foster children included in a recent New Jersey study.

Again, a disproportionate number of these children come from disadvantaged backgrounds. Estimates of the number of foster children who come from households eligible for AFDC range from 30 to 80 percent. Black and other minority children made up more than one-third of the children in foster care at the end of FY 1983. Minority children are not only overrepresented among those in care, but they also tend to stay there longer. For example, a recent Virginia study, Children Adrift, reported that black children in foster care in that state remain in care an average of 2.6 years longer than white children.

For a decade, some states have made intensive efforts to keep children with their families and move foster care children into permanent families. These efforts had begun to make significant inroads, reducing the large numbers of children in out-of-home care. But these gains may be eroding. In the past few years, the number of children in foster care has gone up again in some states due to increases in reports of abuse and neglect. In Kentucky, for example, there were 6,300 children in foster care in 1984, a jump of 26 percent in four years. In Florida, 14,493 children were moved from their homes into care in 1984 -- an increase of more than 1,000 children from the previous year -- and a 10 percent increase is anticipated in the future. Children also face persistent barriers to returning home or to being placed with adoptive families. In 1983, an estimated 53,000 children in foster care were awaiting adoption.

A growing proportion of all children in foster care today are adolescents, the age group for which it is generally hardest to find permanent homes. At the end of FY 1983, nearly half of the foster children in care were thirteen years of age or older. Maine reported that teenagers accounted for 56 percent of its caseload in 1985. In Iowa, the percentage was even higher: 68 percent.

Every year, thousands of older teens in foster care reach the age at which their state terminates care. Those who are not returned home or adopted must make the transition to independent living alone. In many states they "age out" of foster care the day they turn eighteen. Unless they receive help in finishing their education, securing housing, mastering daily living skills, and finding employment, these youths are at very high risk of becoming clients of the adult public assistance, criminal justice, or mental health systems. A New York City study of foster care youths who were discharged to "their own responsibility" during the year ending in June 1980, found that 33.6 percent of them were receiving income support through AFDC or the state Home Relief Program by September of that year.

Children With Serious Emotional Problems

A third group of especially vulnerable children consists of the 3 million seriously emotionally disturbed children and adolescents in our nation. Only a third of these youngsters are currently receiving any help.

A typical picture of this population emerged in the State of Maryland's plan for the development of therapeutic group homes for its emotionally disturbed children and youth. Out of the 209 children and adolescents identified as needing this specific service, 71 percent were adolescents fourteen to seventeen and a half years of age; more than half had been the victims of abuse or neglect within the past five years; and 72 percent had been placed outside of their homes by state agencies within the past five years.

FEDERAL PROGRAMS FOR CHILDREN WITH SPECIAL NEEDS

From 1974 through 1981, the federal government increased its efforts to help these vulnerable groups of children. While leaving primary responsibility for child welfare services with the individual states, federal leadership helped dramatize these children's needs and to increase the pool of resources available to meet them.

To help states protect abused and neglected children, in 1975 Congress enacted the Title XX Social Services Program, the major source of federal funding for child protective services. Funds are used to staff public child protection agencies and to provide direct services to troubled children and their families. A further measure, the 1974 Child Abuse Prevention and Treatment Program, provides another source of limited funding for state services and supports research and demonstration efforts. Among the child abuse prevention programs that benefit from these funds are successful parenting education programs, public awareness campaigns, and school-based curricula.

In 1980, in response to the large number of children adrift in foster care -- numbering more than half a million at that time -- Congress enacted the federal Adoption Assistance and Child Welfare Act. This significant federal legislation has helped reduce inappropriate foster care placements by keeping families together, assisting them to reunite where possible, and by helping foster care children who cannot go home move toward permanent families. It also has encouraged improvements in the quality of services children receive while they are in care.

The Act has stimulated the states to do more for these vulnerable children and their families. Further, it has proven very valuable to many state policymakers who are fighting state or local cuts in funds for child welfare.

- To comply with the Act, some states have developed in-home service programs that have succeeded in reducing the number of children entering foster care, and have proven cost-effective as well. The Intensive Family Services Program in Oregon provides such services on a concentrated, short-term basis to families found to be at imminent risk of having a child removed from the home. The program's success rate at keeping families intact is higher than 75 percent, saving the state some $4,000 per child in averted costs for substitute care.

- The Act has prompted states to improve vastly their child welfare programs by establishing information systems, case plans, and case reviews, according to an extensive Urban Institute survey. Such reforms help ensure that children are reunited with their families in a timely fashion, or are provided permanent adoptive families.

The Act's improved federal support for adoption assistance has resulted in the adoption of increased numbers of special needs children, such as those with physical or emotional handicaps. Smoothing the way for these adoptions has improved children's lives and yielded significant cost savings to the states.

- Janine has a pituitary gland problem that has stunted her physical growth. At age seven, she is less than three feet tall and weighs only twenty pounds. She has been diagnosed as mentally retarded. Joey was born without arms or legs. He is able to move around with an electric wheelchair which he operates with a control stick, using his shoulder. Before 1980, neither Janine nor Joey, two severely disabled black children in need of adoptive families, would have had much hope of finding a permanent family. They both had been in institutions. But with the help of the federal Act, Janine and Joey have been adopted by a single black woman who lives in Oklahoma. She provides the love, care, and attention they need, while adoption assistance payments and Medicaid, paid in part with federal funds, help defray the costs of Janine's daily medications and treatment and Joey's specialized services.

- In Minnesota, the Act allowed for most of the ninety-five children added to Minnesota's adoption subsidy program in FY 1985 alone to be eligible for federal assistance. The state's subsidy program saves an estimated $850,000 a year in averted costs for foster care for all the children in the program.

To help increase the services available to assist severely disturbed children and adolescents, Congress earmarked special monies in the Mental Health Systems Act passed in 1981. Although the legislation was repealed later the same year, it provided an important potential framework for addressing the needs of troubled youth.

MANY ABUSED AND NEGLECTED CHILDREN GO UNSERVED AND FEDERAL CUTBACKS EXACERBATE THE PROBLEM

Despite the accomplishments of existing programs, their services are not keeping pace with the growing need. The past five years of cutbacks in basic income support, health, and social service programs, coupled with increases in unemployment and poverty, have put more strain on more American families and their children. While their need for help is rising, resources required to meet it are diminishing.

Despite record levels of reports of child abuse and neglect, the funding, staff, and services needed to respond have declined significantly in many states:

- In a September 1985 report on foster care entry rates, the Inspector General of the U.S. Department of Health and Human Services noted that increasing reports of abuse in the states studied had not been matched by increased resources, and that "to respond to this increased workload, workers must carry loads more than that considered acceptable to do a good job."

- Abuse cases involving older children, those most at risk of becoming runaways or getting into trouble, generally receive the lowest priority. The National Committee for Prevention of Child Abuse has reported that some agency offices refuse to investigate reports involving children older than twelve, presumably because they believe these children are less vulnerable.

- A report by the Governor's Protective Services Advisory Committee in Kentucky noted that while child abuse and neglect reports more than doubled from 1980 to 1984 (from 15,668 to 32,713), services and staff were cut dramatically. The responsible agency lost more than $13 million in federal Title XX funds and an additional $5 million in state social service dollars. One hundred forty-one social work positions and 152 paraprofessional positions were cut.

- Recently released data from Oregon's Children's Services Division indicates there has been a 56 percent increase in protective service referrals in the period 1981-1984. The HHS Inspector General has expressed concern that Oregon's increased focus on emergency response has diminished the number of cases that can receive follow-up services.

- The Mississippi Welfare Department recorded a total of 4,901 suspected child abuse or neglect reports in 1984, up significantly from 4,004 in 1983. But thirty-eight of Mississippi's eighty-two counties have only a single social worker responsible for investigating reports and providing services to troubled children and families. The average caseload of a social worker in the state is ninety-eight cases. Further, a recent report by the Governor's Commission for Children and Youth revealed that 50 percent of the workers at the county level are inadequately trained and supervised to handle child abuse complaints.

Some states have tried hard to meet the growing demand for services. For example, Arizona, Arkansas, Florida, Iowa, Kentucky, Missouri, New Jersey, New Mexico, and North Carolina were among the states that increased their own funding for child protective services staff in 1985. Even with such increases, however, social workers charged with the protection of children remain chronically overworked and seriously underpaid.

Models exist for effective programs to support and hold together troubled families, to help them through crises, and to serve the special needs of their children. The development of these models has been hampered in recent years, however, as funding cutbacks have forced hardpressed programs to focus scarce remaining resources on short-term crisis management.

Even in the face of escalating reports of abuse and neglect and increasing demands on public social service agencies, the federal government has slackened its support for child protection programs.

- While reports of abused and neglected children have increased 156 percent since 1976 when the Title XX Social Services Program was first implemented, the FY 1986 $2.7 billion funding level for the program is only $200 million above its 1976 funding level, and substantially below it in inflation-adjusted dollars.

- The Child Abuse Prevention and Treatment Program, funded at $23 million in 1981, was reduced to $17.2 million for each of the three following years. After inflation, its FY 1985 and FY 1986 funding level of $26 million is well below the 1981 funding level.

- The Reagan Administration still has not implemented the important abuse prevention initiatives recently enacted and funded by Congress. Implementation of the Family Violence Prevention and Services Program and the federal grant program to encourage states to develop Children's Trust Funds for child abuse prevention activities is stalled because the Administration has not issued regulations needed to govern the programs' operations.

EFFORTS TO PROVIDE PERMANENT FAMILIES FOR CHILDREN HAVE NOT BEEN SUPPORTED

The Administration twice attempted to repeal the Adoption Assistance and Child Welfare Act of 1980. While these efforts have failed, the Administration has succeeded in diluting the Act's effectiveness in promoting the goal of a permanent family for every child in foster care or at risk of placement. The lack of federal support and the rise in crisis cases have forced states to set aside many prevention and permanency efforts.

- The federal funding level for services to keep children at home or to reunify them with their families is far short of that anticipated at the time of the law's enactment. Cumulative 1981-1985 funding for the Title IV-B Child Welfare Services Program, and for the Title XX Social Services Block Grant, without accounting for inflation, fell 29 percent and 14 percent below the amounts anticipated for the programs, respectively.

- Cutbacks in federal service dollars have forced overworked state level child welfare staff to choose between crisis cases and prevention and permanency efforts, usually to the neglect of the latter. Dollars for family-based service programs and special adoption outreach efforts have been channeled into investigations of the escalating numbers of reports of child abuse.

- In some state courts, the rise in abuse cases, particularly those involving sexual abuse, is preventing such matters as termination of parental rights and adoption from coming to the courts' attention. Adoption subsidies also have been cut back in some areas.

- The Administration has opposed full funding for the $5 million Adoption Opportunities Program and other efforts to eliminate barriers to adoption of children with special needs at the same time that it has purported to make adoption of these children a priority.

SERVICES FOR DISTURBED CHILDREN REMAIN SCARCE

In recent years, the federal government has retreated from any substantive effort to meet the complex needs of children and adolescents with serious emotional problems, leaving states to shoulder this burden virtually alone. Funds provided under the federal Alcohol, Drug Abuse, and Mental Health Block Grant have dwindled from

$691 million in 1981 to $490 million in 1985 and again in 1986. The Title XX Social Services Block Grant, which helps states pay for services for emotionally disturbed children, is hundreds of millions of dollars below 1981 levels, after adjusting for inflation. And the Mental Health Systems Act, a hopeful measure designed in part to improve services for seriously disturbed youth, was repealed in 1981.

Children are the most frequent losers among the many groups of emotionally or mentally troubled Americans now competing for scarce mental health dollars. Conservative estimates suggest that two out of three seriously disturbed children and adolescents never receive appropriate services. Children in state custody are even less likely to be served.

- In Vermont, as community mental health centers focus more dollars and services on chronic adult patients, services for children are eroding, according to the state's Mental Health Association.
- A 1983 survey of 135 federally assisted community mental health centers that assist children and youth reported that the centers had reduced staff and services, primarily in the area of prevention.
- A recently completed survey in Virginia documented the gaps in service for mentally and emotionally disturbed children in that state, who make up 11 percent of the state's child population. Significant waiting lists exist for all types of services, with particularly serious gaps in early identification and intervention services as well as appropriate residential care.

Poor children's chances of receiving mental health services also have been lessened in some states because those states have responded to federal cuts by reducing Medicaid coverage of psychiatric services. These children are unlikely to be able to rely on private insurance. Even in working poor families, many children have no insurance or have insurance that lacks mental health coverage, particularly for community-based as opposed to institutional care.

Recently, there have been some modest signs of renewed federal-level interest in addressing the mental health needs of children, although the improvements hardly begin to repair the damage of years of cuts and neglect. In FY 1984, Congress appropriated $1.5 million for the Child and Adolescent Service System Program (CASSP), a special initiative focused on improving the coordination of service delivery systems for seriously emotionally disturbed children and adolescents. In spite of Administration attempts to eliminate this program, Congress boosted FY 1985 funding for CASSP to $3.9 million, and increased it again slightly for FY 1986. Twenty-two states are using CASSP funding to develop or expand state level leadership for child mental health programs and to provide a continuum of coordinated services for emotionally disturbed children.

The 1984 Amendments to the Alcohol, Drug Abuse and Mental Health Services Block Grant made another small improvement by requiring states to set aside at least 10 percent of their mental health block grant funds for new services for severely disturbed children and adolescents and other unserved populations. Although this amendment was weakened in 1985, its special emphasis on children and adolescents remains.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

President Reagan's FY 1987 budget proposals ignore the overwhelming unmet needs of abused and neglected children, children in foster care, and youths with serious emotional problems. Recently enacted federal initiatives designed to stimulate state-level activities on behalf of these groups of vulnerable children are all scheduled for rescission in FY 1986 and proposed for elimination in FY 1987.

President Reagan's FY 1987 budget proposes:

- Making a 22 percent reduction in appropriations for the federal programs specifically targeted on abused and neglected children and other victims of family violence. This comes at a time when virtually every state cites increasing reports of abuse and neglect. The $39 million available for child abuse and neglect and family violence prevention programs in FY 1986 would be reduced to $30.5 million in FY 1987. The President recommends elimination of a significant new child abuse prevention program -- the challenge grant program approved by Congress in 1984 to encourage the establishment of Children's Trust Funds. This program is designed to fund parenting education and support programs and other child abuse prevention activities. Since its approval, however, the Administration has resisted providing the challenge grant funds to the states, despite endorsements of trust funds by both the departments of Justice and Health and Human Services. As a first step toward eliminating the program in FY 1987, the President recommends that the $5 million approved (but still not obligated) for the program as part of the FY 1985 Supplemental Appropriations Bill be rescinded in FY 1986.

The Administration also proposes a new Family Crisis and Protective Services Grant Program for FY 1987. Under the proposal, this program would consolidate funds available for the Child Abuse Prevention and Treatment Program and the Family Violence and Prevention and Services Program, but repeal the respective legislation authorizing these programs. If adopted, this probably would undercut the program's ability to maintain the federal leadership and the special initiatives (such as services focused on sexually abused children or disabled infants) prompted by the twelve-year-old Child Abuse Prevention and Treatment Act.

- Maintaining the Title XX Social Services Block Grant at its FY 1986 level of $2.7 billion in FY 1987, but giving it additional responsibilities. This leaves this key funding source for services to children and families at $200 million below its FY 1981 level, in the face of a 39.8 percent rise in reports of abuse and neglect in the interim. At the same time the President proposes once again to eliminate funding for the $366 million Community Services Block Grant and the $305 million Legal Services Corporation, putting these additional responsibilities under the Title XX Social Service Block Grant umbrella without adding to Title XX funds. State agencies, already struggling to protect at-risk children and respond to increasing demands from troubled families, would be asked to further subdivide the limited resources available.

- Eliminating the Child and Adolescent Service System Program (CASSP), designed to help states better serve seriously emotionally disturbed youngsters and their families by improving the coordination of services to meet their needs. In spite of the fact that fewer than one in three of these children is now receiving the help he or she needs, the President proposes to eliminate this $4.5 million program in FY 1987, beginning with a significant rescission in FY 1986. In so doing, the Administration takes away grants to twenty-two states that have been extremely important in establishing a state-level focus on behalf of disturbed children. Ohio, for example, has used CASSP funds to establish interagency clusters in each of its eighty-eight counties to ensure that multi-problem children in local communities actually receive the comprehensive services they need.

President also maintains the Alcohol, Drug Abuse, and Mental Health Block Grant at its FY 1986 appropriations level of $490 million. Continuation of the program at this level for the third year in a row, despite inflation and growing need, provides virtually no room for new initiatives for children in the states.

- Increasing funding for the federal Adoption Assistance Program, but cutting the Adoption Opportunities Program. The President's proposal to increase funding for the federal Adoption Assistance Program by 43 percent is consistent with the Administration's laudable initiatives on behalf of special needs children. The Administration acknowledges anticipated increases in adoptions. Funds under this program provide subsidies for disabled children and others with special needs who cannot be placed for adoption without such help. There is a sad irony, however, in the President's simultaneous proposal to eliminate funds recently added by Congress to the small Adoption Opportunities Program. This addition is intended to increase outreach and recruitment of families for black and other minority children who are at high risk of growing up in foster care when they cannot return home. The increased adoption assistance dollars proposed by the President cannot be used for outreach and recruitment efforts on behalf of these children. A further blow has been the simultaneous proposed cutback of $5 million in funding for the Child Welfare Research and Demonstration Program, under which other adoption initiatives currently are funded.

- Cutting the Child Welfare Services Program 3.5 percent below its FY 1986 appropriation level, reducing funding for the Child Welfare Research and Demonstration Program by 42 percent, and maintaining funding for the Child Welfare Training Program at its FY 1986 level. Without increases in funding for these programs, state initiatives to preserve families and to reunify children in foster care will continue to be severely limited. Efforts to assist older youths in foster care to live independently and become self-sufficient also will be restricted.

Finally, in addition to the rescissions the President proposes for the fiscal year, virtually all of the programs targeted on children and adolescents with special needs described in this chapter are scheduled to be cut on March 1 by 4.3 percent for FY 1986, as a result of the Gramm-Rudman sequestration order. The federal foster care and adoption assistance programs, however, receive special treatment under Gramm-Rudman.

CDF RECOMMENDATIONS

Significantly reduced unemployment and improvements in basic income support, food, health, and education programs would go far in lessening the stresses on many children with special needs and their families, stresses that create or exacerbate their problems. Access to appropriate health screening and treatment from infancy through adolescence would help ensure that problems are identified and dealt with early on. Good child care and early education programs can help ensure all children a strong start, and help many parents strengthen their parenting skills, thus bettering the chances that more children will find the protection and security they need in their own homes. An educational system that responds to the individual needs of youths can help them develop the hope and confidence they need to succeed. By involving parents, education programs also can help bridge gaps between teens and their families.

While improvements in this range of services would avert or ease the problems experienced by many families, many children will still need special help. Some families will continue to have crises they cannot overcome alone. Children who have been abused and neglected will need immediate protection from such treatment and long-term assistance to cope with its impact. Children with severe emotional problems will continue to require specialized services.

The federal government's role should be to help the states provide these families with access to a range of services and programs designed to meet their varied social, physical, mental and emotional needs. These services and programs should adhere to the following principles:

- Children should receive a full developmental assessment that identifies their strengths along with their needs.
- Services should be provided to the child and family in their own home, if possible, or in the least restrictive and most family-like setting appropriate to the child's needs.
- The family should be fully involved in all services provided to the child.

- Children in all child-caring systems should have access to a continuum of services, both nonresidential and residential, including early intervention, respite care, foster family homes, therapeutic group homes, and residential treatment programs.

- A case advocate should be available to help the child and family negotiate the various systems that provide services and to ensure the provision of appropriate care.

- Services should be provided on a sliding fee schedule. No family should be denied services because of inability to pay, or be required to surrender the custody of a child in order to get appropriate treatment for him or her.

- For children in out-of-home care, timely efforts should be made either to reunify them with their families or, where that is not possible, place them with new permanent families. All youth, especially those who will not return to families, should be prepared during their teens for the transition to independent living.

- All parties involved should be assured of some basic protections. At a minimum, these should include case plans, periodic reviews, and due process protections, such as the right of a family to participate, with representation, when important decisions relating to its child's future are being made.

The provisions in Section 1 of the Children's Survival Bill are significant beginning steps toward offering children and their families the help they need. The bill proposes additional resources for the programs that serve abused and neglected children and their families, and details ways to strengthen the Adoption Assistance and Child Welfare Act. Further, the bill would increase funds for the Child and Adolescent Service System Program, and would establish a set-aside in the Alcohol, Drug Abuse, and Mental Health Block Grant specifically for new services for seriously disturbed children and adolescents. Many other provisions of the bill that call for improvements in basic support programs to poor families would do much to enhance the impact of these modest steps.

CHILDREN WITH SPECIAL NEEDS: FUNDING AND BUDGET REQUESTS, FY1981-FY1987
(in millions of dollars)

program	FY1981 actual	FY1982 proposed	FY1982 actual	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 actual	FY1986 after Gramm-Rudman	FY1987 proposed
SSBG/ Title XX	2,991.8	--[a]	2,460.0	1,974.1	2,456.0	2,560.0	2,700.0	2,700.0	2,725.0	2,700.0	2,700.0	2,584.0	2,700.0
Child Welfare Services	163.0	--[a]	156.3	--[d]	156.3	156.0	165.0	168.8	200.0	200.0	207.0	198.0	200.0
Child Welfare Training	5.2	--[a]	3.8	--[d]	3.8	--[f]	2.6	--[h]	3.8	3.8	3.8	3.7	3.8
Child Welfare Research	11.0	--[b]	11.0	--[e]	10.3	--[g]	9.5	--[i]	11.8	8.4	11.8	11.3[m]	6.0[r]
Foster Care	327.8	--[a]	321.6	--[d]	395.0	440.0	478.5	460.0	517.2	485.0	507.6	--[n]	544.3
Adoption Assistance	5.0	--[a]	5.0	--[d]	5.0	5.0	5.0	12.8	35.4	41.9	41.9	--[n]	59.9
Adoption Opportunities	5.0	--[b]	1.9	--[e]	1.9	--[g]	1.9	--[i]	2.0	1.4	5.0	4.8[o]	1.4
Child Abuse State Grants	6.9	--[a]	6.7	4.6	6.7	6.7	6.7	7.0	9.0	12.0	12.0	11.5	--[s]
Child Abuse Discretionary Grants	16.1	--[b]	9.5	--[e]	9.5	--[g]	9.5	--[i]	17.0	10.0	14.0	13.3[m]	--[s]
Child Abuse Challenge Grants											5.0[j]	4.8[q]	0
Family Violence Prevention and Services											8.5	8.1[k]	--[r]
Child and Adolescent Service System Program							1.5	0	3.9	0	4.5[l]	--[l]	0
Alcohol, Drug Abuse, and Mental Health Block Grant	691.0	--[c]	428.0	432.0	439.0	439.0	462.0	472.3	490.0	490.0	490.0	487.9	490.0

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[a] Proposed to consolidate in a $3.8 billion Social Services Block Grant for FY1982; this is 25 percent below the FY1981 funding level for the programs proposed to be included in the block grant.

[b] Proposed to consolidate in a $63 million social services discretionary pot for FY1982; this is $23 million, or 27 percent, below the FY1981 funding level for the programs proposed to be consolidated.

[c] The programs eventually included in the Alcohol, Drug Abuse, and Mental health Block Grant were originally proposed for inclusion in the Health Services Block Grant, to be funded at $1.1 billion for FY1982.

[d] Proposed to consolidate in a Child Welfare Block Grant for FY1983, with a 23 percent cut in funding from FY1982.

[e] Proposed to consolidate in a $31 million pot for human resources research and demonstration activities, with funding to be at the same level as in FY1982.

[f] Proposed to combine with Child Welfare Services for FY1984, with funding to be cut by 2.4 percent from FY1983 levels.

[g] Proposed to consolidate in a $9 million pot for human resources research and demonstration activities, with funding $13 million, or 59 percent, below the FY1983 funding level for the programs to be consolidated.

[h] Proposed to combine with Child Welfare Services, with funding to remain at the same level as in FY1984.

[i] Proposed to be consolidated in a $4 million human resources research and development pot for FY1985, with funding $17 million, or 81 percent, below the FY1984 funding level for the programs to be consolidated.

[j] $5 million approved as part of FY1985 Supplemental Appropriations Bill, but it was not obligated in FY1985 and was carried over to FY1986.

[k] Includes $6 million approved as part of FY1985 Supplemental Appropriations Bill that was not obligated in FY1985 and was carried over to FY1986.

[l] The FY1986 appropriation for the Community Support Program and CASSP was increased from $10.5 million to $12.5 million. The projected increase from CASSP is expected to be about $600,000; however, a FY1986 rescission of $11.0 million over the post-Gramm-Rudman FY1986 level is proposed.

[m] Proposed rescission of $3.3 million over the post-Gramm-Rudman FY1986 level.

[n] These programs receive special treatment under Gramm-Rudman. Expenditures attributable to a foster care or adoption assistance rate increase that took effect between October 1, 1985 and September 30, 1986 are not eligible for federal reimbursement.

[o] Proposed rescission of $3.4 million over the post-Gramm-Rudman FY1986 level.

[p] Proposed rescission of $3.3 million over the post-Gramm-Rudman FY1986 level.

[q] Proposed to be rescinded for FY1986.

[r] In addition, a Social Services Research Program funded at $2.4 million is proposed for FY1986; it would support cross-cutting research.

[s] Proposed to consolidate in a new $30.5 million program of Family Crisis and Protective Services Grants for States for FY1987; this is 7.3 percent below the anticipated post-Gramm-Rudman FY1986 funding levels for the Child Abuse State Grants and Discretionary Programs and the Family Violence Prevention and Services Program.

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15. Runaway Youths and Others in the Juvenile Justice System

Many children who suffer abuse or neglect, the impermanence of foster care, or untreated emotional problems are at high risk of growing into troubled adolescents. If these children, described in Chapter 14, do not get the help they need to overcome these problems, they may later come to the attention of the juvenile justice system as "runaways," "throwaways," "pushouts," "street kids," "missing children," "status offenders," or "delinquent youths."

The story of Jeanie is a clear and painful illustration of this causal link.

> Throughout her childhood, Jeanie never really had a secure home. As she was growing up, she was bounced from mother to grandmother to foster home and back again. At thirteen, she was snatched away by her father, who took her to a distant state. Because she felt unwanted there, she ran away from his home. She wound up in juvenile hall after she had been arrested for shoplifting. After an escape and a second arrest, she spent three days in an adult jail "to teach her a lesson," and a year and a half in a training school. She was finally transferred to a therapeutic group home, but when she learned she was pregnant she ran away, and was forbidden to return. Jeanie returned to live with her grandmother and gave birth to a daughter the day after her sixteenth birthday.
>
> Jeanie's parenting began to repeat the cycle of pain. She was reported for neglect of her infant. Her baby has just marked her first birthday -- and her first six months in foster care. Jeanie, who attempted suicide, is now in a special adolescent program at a psychiatric hospital.

It is estimated that at least 1.2 million to 1.5 million children and adolescents run away from home or are abandoned by their families each year. Their average age is fifteen. Most are away only a night or two, but some never return home. Many of these young people are running from one or more serious problems: for many, a failure at school; for more than one-third, physical or sexual abuse at home; for 40 percent, a range of other family problems. A growing number of children, termed "pushouts" or "throwaways," have been forced out of their homes by their parents. Some youths, who are in the care of various child welfare or juvenile justice programs, flee their custody. Often, runaway shelters represent the last chance for help to reach these youths before still more serious problems develop.

Contrary to widespread perceptions, the overwhelming majority of the "missing children" receiving much current publicity are runaway youths. (The next largest group includes tens of thousands of children who are abducted by non-custodial parents.) A relatively small proportion of the children listed as missing today are abducted by strangers, the scenario most commonly identified with this problem. Documented estimates of such abductions range from sixty-seven to several hundred per year. While the trauma resulting from children's abduction by strangers deserves every possible attention, the other much larger groups of missing children also deserve their share of public attention and resources.

Another group of troubled youths are those charged with delinquent offenses, or status offenses (like truancy or incorrigibility) that would not be crimes if committed by adults. On one day alone in 1983, the U.S. Census Bureau's Biennial Survey of Children in Institutions reported, there were 80,091 juveniles incarcerated in public and private juvenile detention and correctional facilities. In the course of a year, more than 500,000 juveniles pass through these facilities. And while the problem has declined in recent years, too many juveniles still are held in adult jails -- as many as 1,760 on an average day, and 400,000 in the course of a year. Some jailed youths have not been charged with any crimes but are detained, often under harsh conditions, allegedly "for their own protection."

Only a relatively small fraction of the youths committed to juvenile justice facilities -- about 10 percent -- have been charged with serious crimes. Colorado estimates that fewer than 5 percent of its detained juveniles are violent offenders.

Troubled children come from families of all income levels, races and ethnic groups. But those from more advantaged backgrounds have a better chance of getting the help they need to overcome their problems, and also a better chance of avoiding the juvenile justice system. An analysis by the Hubert H. Humphrey Institute of Public Affairs indicates that status offenders of different backgrounds get very different treatment. It found that middle class youths with access to private health insurance were likely to be placed in psychiatric units of private hospitals or in chemical dependency units. In contrast, minority youths were more likely to end up in the public juvenile justice system, where they face reduced opportunities for individual assistance and support.

Subsequent data analyses by the Humphrey Institute and the National Council on Crime and Delinquency reinforced these findings. They found that, on a given day in 1983, minority youths, who make up approximately 20 percent of the total youth population, accounted for more than 50 percent of the juveniles incarcerated in public youth detention or correctional facilities. In contrast, the data showed that nearly 65 percent of all juveniles in youth correctional facilities that are privately administered and operated, but usually receive public funds, were white.

Justice Department figures corroborate these findings. If other factors such as reason for the arrests are held constant, minority juveniles are more likely to be arrested (especially at an early age), to be formally referred to court for processing, to spend a longer time in the system (particularly up to the point of disposition) and to be held in a detention center or jail. Other research indicates that, of youths referred to juvenile court, twice as many blacks as whites are waived to adult court. At its Conference on Minority Crime and Juvenile Justice in April 1985, a department official expressed concern that "minority juveniles are not being offered equal protection because people are being included and excluded not on the basis of what they have done but on the basis of whether or not, in someone's opinion, they are more likely to be rehabilitated by being left out of the system."

HELP FROM THE FEDERAL GOVERNMENT HAS MADE A DIFFERENCE

The federal government's major initiative to help troubled youths, the Juvenile Justice and Delinquency Prevention Act, first enacted in 1974, has been a significant catalyst for state and local reforms. The program has helped to establish delinquency prevention initiatives, alternatives to detention for status offenders and other juveniles charged with offenses, and training for services staff working with young people. The Act mandates removal of status offenders from secure facilities like jails, juvenile detention centers, and training schools. It also provides incentives to states to remove all youths from adult jails.

Another portion of this law, the Runaway and Homeless Youth Act, targets resources and services on efforts to restore and strengthen family relationships where possible and to assist young runaways to find the help they need. Two hundred seventy-four shelter programs, as well as the National Runaway Switchboard, were funded under this program in FY 1985. The program also helps maximize state and local efforts by facilitating coordinated networks of agencies serving these young people and their families, and by providing technical assistance and training.

By allowing states to find out what works and where best to invest limited resources, and by augmenting the resources that are available, both of these federal programs have made a difference to hundreds of thousands of troubled children and adolescents and their families:

- More than 60,000 youths were sheltered by federally funded runaway centers in all fifty states and the District of Columbia in FY 1984, and 245,000 others received various services on a drop-in basis. Many of the shelters provide over a dozen services designed to meet the multiple needs of at-risk children. Eighty percent of the youths sheltered were reunited with their families or placed in other positive and safe living environments. Another 250,000 juveniles and families benefitted from the Runaway Switchboard, a huge increase from the 11,000 calls received in 1975.

- Significant progress has been made in many states in meeting the Juvenile Justice and Delinquency Prevention Act's mandates for the deinstitutionalization of status offenders and removal of juveniles from adult jails. The number of status offenders in secure facilities declined from 200,000 in 1979 to 25,000 in 1984. Three-fifths of the states report a decline in the number of juveniles held in adult jails. This progress is chiefly due to the federal initiative -- to date, only about sixteen states' laws bar such detention or confinement. Representatives of the National Governor's Association, National Association of Counties, and National Conference of State Legislatures advised Congress in spring of 1985 that states stand to lose significant momentum in deinstitutionalization and separation of youthful offenders from adults if the federal program were allowed to end.

- In early 1984 Tennessee still held 201 status offenders in institutions, and 1,934 children in adult jails, most of whom were not separated from adult offenders. By early 1985, only nine status offenders were still held in violation of the deinstitutionalization law and 103 children were still in eighteen jails, all but twelve separated from adult offenders. Representatives from Colorado, Iowa, Maine, Michigan, and South Carolina recently testified before Congress about similar progress in their states.

- The Act's emphasis on the diversion of status offenders from the juvenile justice system also has contributed to a decline in juvenile arrests -- from almost half of total arrests in 1974 to fewer than one-third in 1983. It has helped states to recognize that the problems of many young people are better addressed through services than through the law enforcement system.

In spite of this progress, current programs are far from adequate to meet the full needs of these troubled children. Individuals working with runaway youths, juvenile justice authorities, and youth advocates all cite the increasing numbers of troubled juveniles -- many of whom have complex, multiple needs -- that they cannot serve.

ONLY A FRACTION OF TROUBLED YOUTHS RECEIVE ADEQUATE HELP

Studies suggest that, among runaway and homeless youths, only about one-fifth to one-fourth receive services from programs that are able to meet their needs. Shelters frequently have only seven to twelve beds and limited facilities for long-term placements.

- In its publication, To Whom Do They Belong?, the National Network of Runaway and Youth Services reported on the large numbers of youths whom shelters must turn away. A broad survey of youth service agencies, representing hundreds of shelter facilities and foster homes that sheltered more than 50,000 young people in a one-year period during 1983-1984, found in 40 percent of the programs that kept data that 10,000 youths were turned away. In most cases, this was because no beds were available; for about 3,500, it was because the shelter was determined inappropriate for their needs. One shelter in Arizona had to turn away 1,600 young people.

- A 1983 program inspection by the Office of the Inspector General in the federal Department of Health and Human Services reported that, of the runaway youths counted that year, federal shelters served no more than one in three and sheltered no more than one in twelve. The report put shelter and crisis intervention at the top of the list of unmet needs for the runaway population. A 1983 General Accounting Office study of the delivery of services under the national Runaway and Homeless Youth program also documented unmet needs for after-care services, outreach to youths on the street, and the development of young peoples' coping and living skills.

- Approximately 60 percent of the agencies surveyed by the National Network of Runaway and Youth Services responded that the youths they were seeing were more troubled or tended to have more problems than those whom they saw five or six years ago. Shelters in every state reported seeing more young people with more severe mental health problems. About one-third of the shelters reported increases in the numbers of physically and sexually abused children.

- Increasing numbers of youths running to shelters are "push-outs" or "throwaway children," for whom family reunification is probably not possible or desirable. A study of New York shelters reported that between one- and two-thirds of the children felt they had no home to which they could return. These children need a range of supports to learn to live on their own. But some programs complain of being severely limited by the Runaway Youth Act's restrictions on eligibility: only youths younger than eighteen can be served and shelter residence cannot exceed two weeks.

Nor are young people in the juvenile system getting the kind of help they need. Contrary to the Justice Department's assertions that the goals of the Juvenile Justice and Delinquency Prevention Act have been met (and that, therefore, funding should be withdrawn), barriers to appropriate care for these troubled youths remain.

- The failure of a number of states to remove all children from adult jails has had a high cost. Children remaining in adult jails continue to be at great risk. It has been estimated, for example, that the suicide rate for juveniles held in adult jails is nine times the rate of juvenile suicides in secure juvenile detention facilities. In cases from Kentucky, California, South Dakota, and Kansas, a teen has taken his or her own life after being jailed for a "non-crime" such as running away from home, violating curfews, or being difficult to handle. Yet in Kansas, which is not atypical, an estimated 1,500 juveniles still are put in jail each year, usually in rural counties. Fewer than 10 percent are charged with violent crimes, and approximately 17 percent are in protective custody after being abused or neglected. The California Youth Authority reported that 11,249 juveniles were detained for at least six hours in jails and lock-ups in that state last year.

- Studies of delinquent populations continue to cite their special education, mental health, and social service needs. The New York City Department of Juvenile Justice profiled 322 children in school at Spofford Juvenile Center in New York City in early 1985. Though their average age was fifteen, 38 percent of the children studied read below the fourth grade level. About one-third of the group had been classified as requiring special education because of emotional problems. The Wisconsin Juvenile Female Offender Study Project concluded that 72 percent of the girls in that state who had run away two or three times had attempted suicide. A study by the Pennsylvania State Office of Mental Health in 1982 estimated that 30 percent of all adjudicated delinquents in that state have severe emotional problems. Similarly, a study of youths in New York State's Division for Youth facilities determined that 58 percent needed specialized mental health services.

- Recently, the Association for Children of New Jersey surveyed Family Crisis Intervention Unit directors, who attempt to divert non-delinquent juvenile cases from court. Among those responding, most cited particular needs for appropriate residential programs, alcohol treatment programs, and services for juvenile sex offenders. In Florida, as well, necessary resources to meet the multiple needs of these young people are not forthcoming. During FY 1983-1984, 1,558 non-offender youths in Florida were placed in secure detention after running from residential programs that did not adequately address their needs.

- All states cite difficult barriers to developing effective community-based facilities as an alternative to incarceration. The General Accounting Office reported that 85 percent of Texas' 136 counties do not offer such alternatives. These alternative programs are cost-effective. The American Justice Institute estimates that jailing a juvenile without any necessary services costs $24 per day;

> placement in a secure juvenile detention facility with full services costs $61 per day. Group home alternatives and in-home detention programs cost, on average, approximately $17 and $14 per day, respectively.

In a recent review of compliance with the Juvenile Justice and Delinquency Prevention Act, the U.S. General Accounting Office reported that the surveyed state agency officials, criminal justice council directors, and juvenile court judges were virtually unanimous in urging a continued and expanded federal role on behalf of troubled youths.

FEDERAL EFFORTS TO HELP MEET THE NEED HAVE BEEN CURTAILED

Far from increasing the federal commitment to help keep pace with the needs of troubled youths, the Reagan Administration has tried consistently to curb these urgently needed programs.

After unsuccessful attempts to eliminate the programmatic requirements of the Runaway and Homeless Youth program and subsume its funding in the Social Services Block Grant, the Administration repeatedly has requested funding for the program at about one-half of the previous year's level. Although Congress doubled funding for the program in FY 1983, it has stayed at this level -- $23.25 million -- for the past three years. Shelters have seen their grants reduced as funds have been stretched to cover an increased number of shelters.

Due to strong bipartisan support in Congress, the Juvenile Justice and Delinquency Prevention program also has survived annual Administration attempts to give it no funds at all. But it has been trimmed to an annual rate of $70 million, down from $100 million in 1981. Moreover, child advocates and some state officials charge that the Justice Department (which administers the program) has weakened its effectiveness by skewing its focus, concentrating too much on habitual, serious, or violent offenders at the expense of the prevention efforts and jail removal initiatives intended by Congress as the priority for federal efforts. And in defiance of the congressional mandate for continuation of the program, the Justice

Department now has withheld from the states (as of late January 1986) Juvenile Justice program funds with the exception of a handful of discretionary awards.

Finally, and somewhat ironically, the Administration has supported some initiatives to help in the location of missing children, while opposing programs designed to address the underlying problems of so many of these children and their families. Such efforts to help families who are seeking their children are necessary, but the Administration's support for them rings hollow without a comparable commitment to increased services for preventing the family problems that swell the ranks of missing children.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

President Reagan's FY 1987 budget once again ignores the unmet needs of runaway youths and other young people in the juvenile justice system.

- For the sixth year in a row, once again claiming that the program's goals have been met, the budget recommends elimination of the Juvenile Justice and Delinquency Prevention Program, which is funded at $70.2 million in FY 1986. (The President also proposes a rescission of most of the program's funds in FY 1986.) The fact that the President proposes to give the Justice Department more than $150 million in new dollars in FY 1987 for federal prison construction and improvements, however, should make the Administration wonder just how well the goals have been met. Rather than investing in troubled youths early, when they can be more effectively helped, the Justice Department's priority seems to be on preparing for their eventual move into the adult criminal justice system -- where many of them may end up without this early investment.

- The President's budget maintains the Runaway and Homeless Youth Program at its FY 1986 appropriations level of $23.25 million, the level at which it has been funded since FY 1984. At this level federal shelters will not be able to increase the numbers of teens served, nor to expand their services to meet more appropriately the increasingly complex needs of the young people coming to them for help.

- The plight of runaway youths and others in the juvenile justice system also will be worsened by other proposed cutbacks. The proposed elimination of the $4.5 million Child and Adolescent Service System Program, for example,

> will increase the likelihood that more emotionally disturbed youths will fall through the cracks of the various child-caring systems. The President's failure to increase funding for the Social Services Block Grant and his proposed reduction in the Child Welfare Services Program also limit the special programs and services that can be provided to these troubled children and adolescents.

Both the Juvenile Justice and Delinquency Prevention Program and the Runaway and Homeless Youth Program are scheduled for a 4.3 percent reduction in FY 1986 as a result of Gramm-Rudman.

CDF RECOMMENDATIONS

With regard to troubled children and adolescents who run away or end up in the juvenile justice system, the public policy choice is not whether to make an investment on their behalf, but when and how. These young people will cost the state and federal government money sooner or later. If their needs are not met by the various child-caring systems, many will become the financial responsibility of other public entities, like the adult mental health or criminal justice systems. Some may end up needing costly institutional care throughout their lives.

Early preventive investment can save both dollars and human potential. Many of those who end up as troubled youths began life with inadequate health care, family income, and education. The provisions in the Children's Survival Bill directed to increasing income support for poor families, improving opportunities for self-sufficiency, and providing more responsive educational programs for disadvantaged children are key investments in the prevention of delinquency and other youth problems.

For those children who do get in trouble, however, we need to provide secondary prevention to head off a lifetime of crime, or self-destructive or other anti-social behavior. A comprehensive array of services is necessary to address these young people's special physical, mental, emotional, and social needs. If youths are to benefit from the deinstitutionalization of status offenders and their removal from adult jails, we must provide them with alternative services. Today, they often go from these settings to other facilities and programs that do not meet their needs appropriately, such as institutions for the mentally ill or chemical dependency units.

To become productive and well-adjusted adults, troubled youths need a continuum of care that includes preventive and early intervention services, as well as a range of non-residential and residential programs. Services should be tailored to individual needs and flexible enough to allow children to be able to move from one setting to another as their needs change. Services should be delivered within the child's home and community wherever possible, and within the least restrictive setting appropriate. For the small number of juveniles for whom secure detention may be necessary, rehabilitative care and treatment must be provided. As often as possible, parents and families should be involved in all service programs.

Further, troubled children need a service system that protects their rights. This includes periodic review of the care they receive and established systems for resolving grievances regarding its quality. To maximize effectiveness, the various child-serving agencies -- child welfare, juvenile justice, health, and mental health -- must coordinate their services. They should make a special effort to ensure equal access to quality services for all young people, regardless of their racial or ethnic background or ability to pay.

Increased investment in the Juvenile Justice and Delinquency Prevention Act, the Runaway and Homeless Youth Act, and the Adoption Assistance and Child Welfare Act, as described in the Children's Survival Bill, can enable state and local service programs to move closer to these goals. In addition, increased funding for the Social Services Block Grant, the Child Abuse Prevention and Treatment Program, and the Child and Adolescent Service System Program (also proposed in the Children's Survival Bill) will allow the development of targeted service programs and demonstration efforts to better meet the needs of troubled children and adolescents who have been abused or neglected, or who suffer from serious emotional problems.

RUNAWAY YOUTH AND OTHERS IN THE JUVENILE JUSTICE SYSTEM: FUNDING AND BUDGET REQUESTS, FY1981-FY1987
(in millions of dollars)

program	FY1981 actual	FY1982 proposed	FY1982 actual	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 actual	FY1986 after Gramm-Rudman	FY1987 propose
Runaway Youth	11.0	--[a]	10.5	6.6	21.5	10.5	23.2	10.5	23.2	23.2	23.2	22.2	23.2
Juvenile Delinquency Prevention	100.0	0	70.0	0	73.0	0	70.5	0	70.2	0	70.2	67.3[b]	0

[a] Proposed to consolidate in a $3.8 billion Social Services Block Grant for FY1982; this is 25 percent below the FY1981 funding level for the programs proposed to be included in the block grant.

[b] Proposed rescission of $60.8 million over the post-Gramm-Rudman FY1986 level.

16. Child Care

For many working American families, child care has become a necessity. Many parents, especially young or single mothers, must have this service to be able to work or participate in the training and education programs they need to become self-sufficient.

Recent data show that child care helps Americans to work. A 1982 Census Bureau survey found that 45 percent of all single mothers not then in the labor force would work if child care were available at a reasonable cost. Without this care, a survey of Maine's families recently found, one or more of the adults in nearly 25 percent of all hosueholds with a young child was forced to quit work, was unable to take a job, or was unable to continue training or education. Another 20 percent said they would work longer hours if adequate, affordable child care were available.

By enabling parents to work, child care proves to be a cost-effective public investment. For example, an Ohio study found that the $2,000 a year the state spends, on average, for full-time child care to enable a parent to be self-sufficient saves $6,000 a year in public assistance to meet the minimal survival needs of a mother and child.

A growing majority of young American children now need child care because their parents work or are in job training. Among today's mothers, nearly three in five who are married and more than two out of three who are single are in the labor force. Most of these women work full time and therefore their children continue to need child care after entering preschool or elementary school. The number of children with mothers in the work force will continue to grow:

	1970	1979	1984	1990
		(millions)		
Children under age six with mothers in the labor force:	5.8	7.2	9.3	11.5
Children ages six to thirteen with mothers in the labor force:	N/A	14.2	14.7	17.2

Just as child care is essential to the livelihoods of many parents, quality care also can help provide a strong start for their children. Low-income children, in particular, often can overcome early disadvantages with the help of a good child care program.

What children need in child care has been identified in a multitude of studies by child development experts. Small group size and good staff-child ratios are crucial, as they enhance a caregiver's ability to respond to children individually. Continuity of care is essential, because children suffer when they must leave a caregiver with whom they have developed a close relationship, or be parted from a familiar circle of friends. Children need caregivers who can spend time getting to know them and their families, who can learn more about their individual needs, who have speciailized training in child development, and who understand that a parent's involvement is an essential component of good child care. Children also need a healthy and safe physical setting, with a mix of age-appropriate activities that help them develop social, emotional, intellectual, and physical skills.

Families must sort through a patchwork system of scarce resources to find good child care that meets their needs and that they can afford. They rely on child care centers, nursery schools, family day care homes, relatives, and babysitters in their own homes, or a combination of these arrangements.

Costs for most of these services are high. Out-of-home care for one child can cost anywhere from $1,500 to $10,000 per year. Most parents pay about $3,000 per child per year for child care services.

Less well-off parents often cannot afford to pay these high costs and are unable to make any of these arrangements. Frequently, they must cut back their work hours or leave young children alone or in the care of an older sibling.

GOVERNMENT PROGRAMS TO HELP FAMILIES PAY FOR CHILD CARE ARE LIMITED AND UNEVEN IN IMPACT

Despite the complex child care problems many Americans now face, the federal government has virtually abdicated any leadership role in helping to meet the need. It has done little to improve the quality of child care available. In 1981, it retreated from standards for programs receiving federal funds and recently has reduced its assistance to families that most need help.

The largest federal program that helps families pay for child care is the dependent care tax credit. It allows families to deduct a portion of child care expenses (up to a maximum expense of $2,400 for one child and $4,800 for two or more children) from their federal income taxes. The lower a family's income, the larger the percentage of this portion that can be deducted. The dependent care credit is one of our nation's more equitable tax breaks, structured to provide more help to low- and moderate-income families than it does to the more well-to-do. In 1983, the credit was used by more than 6 million families, nearly half of which had adjusted gross incomes of less than $25,000, at a cost of slightly more than $2 billion.

Examples of the Federal Dependent Care Credit at Different Income Levels

Income	Percent of Child Care Expenses that Can be Taken as Credit	Maximum Credit for One Child (with $2,400 expense)
$0-10,000	30%	$720
$14,000-16,000	27%	$648
$20,000-22,000	24%	$576
$28,000 and above	20%	$480

But for most poor families, even this progressive credit system is flawed. First, they cannot afford to make substantial out-of-pocket payments for child care costs, even if they could later get 30 percent back. Second, their tax liabilities before the credit may be so low that they get little or no relief. For example, a mother entitled to a $500 credit but with only a $120 federal income tax bill receives $120 relief; there is no mechanism for the government to refund the other $380. If she spent $2,400 for child care, she would only get what amounts to a 5 percent credit.

A second federal "program" to subsidize child care costs is also part of the tax code, and is probably the fastest growing form of federal child care help. Usually referred to as a flexible benefit plan, the mechanism allows an employee, if her employer agrees, to reduce her taxable income by the amount of dependent care expense she expects to incur during the year. The money is put in a special untaxed account out of which the employer then pays the child care expenses, thus saving the family the taxes on the child care money.

Because of the structure of federal tax law, this mechanism would rarely help a family that makes less than about $20,000 a year, and above that income level it allows families in higher tax brackets to receive the highest subsidies, often for amounts far greater than the benefits provided by any other federal child care program. For example, if an employer reimburses $10,000 in child care expenses for a high-salaried worker in the 50 percent tax bracket, that worker saves $5,000 in federal taxes -- many times the maximum that could be claimed using the dependent care tax credit.

Neither of these tax-related federal initiatives is effective in helping most poor families get the child care they need to stay in the job market. Families bringing in below-poverty wages will rarely be able to bear child care costs without direct help.

The Need for Child Care Assistance for Low-Income Families Is Largely Unmet

A single mother of two who works forty hours a week for fifty weeks a year at the minimum wage earns $6,700 per year, 22 percent below the 1985 poverty level. If she had to pay just $1,600 a year for child care -- 40 cents per child per hour, which is far below the normal cost -- her family's disposable income would drop even further, to 41 percent below the poverty level. Child care experts estimate that middle-income families should pay no more than 10 percent of their income for child care. The impossibility of a poor family paying 20, 30, or 40 percent of its income is readily apparent.

Such a dilemma is common. In 1983, 2.5 million children were poor even though they had a parent who worked full time. These children represent more than one-sixth of all poor children. Youngsters raised by working single mothers are even more likely to be poor than children in two-parent families. If the parent is working full time and yet is still poor, she needs help with child care expenses. If she works part time, such help could in many cases enable her to escape poverty by working longer hours.

Child care assistance is equally crucial for other parents with young children, including teenage mothers. Many are not yet in the labor force but are seeking the training, education, or job necessary to avoid dependence on welfare.

All too often, when these families do not receive child care support, the societal consequences are harsh: children left to fend for themselves, or more parents dependent on Aid to Families With Dependent Children (AFDC).

- "Eight-year-old Ellis wears his key on a cord around his neck. He keeps it under his shirt so no one can see it. When asked about his key, he was hesitant at first to reveal it. 'My mother told me not to show my key to anyone. She doesn't want anyone to know I'm home alone....When I get home I look around to make sure no one is watching, and then I try to get in the house fast.' Ellis worries about losing his key. 'I don't go outside and play after I get home from school. I'm afraid I'd lose my key. Then my mother would be real mad and I'd have to wait in the hall.'" (Lynette and Thomas Long: The Handbook for Latchkey Children and Their Parents, Arbor House, New York, 1983.)

- In Minnesota, Mrs. Brown's husband left her with two preschool children. She tried to find a job to support the children and herself. Due to her lack of formal training or special skills, the jobs open to her were at the minimum wage. While her monthly gross income would be only $580, her child care would cost more than half that: $365. Taxes and

> work expenses would take up a significant part of the remaining $215. To preserve her self-esteem and dignity, she prefers to work and therefore applied for the child care assistance that would enable her to do so. Her name was added to a waiting list and she was advised that it might be a year before funds were available for her child care. Mrs. Brown then decided to go to school so she could increase her job potential. She needed child care assistance in order to go to school and, again, her name was put on the waiting list and she was told she may have to wait a year. Finally, in order to survive, Mrs. Brown was forced to apply for AFDC.

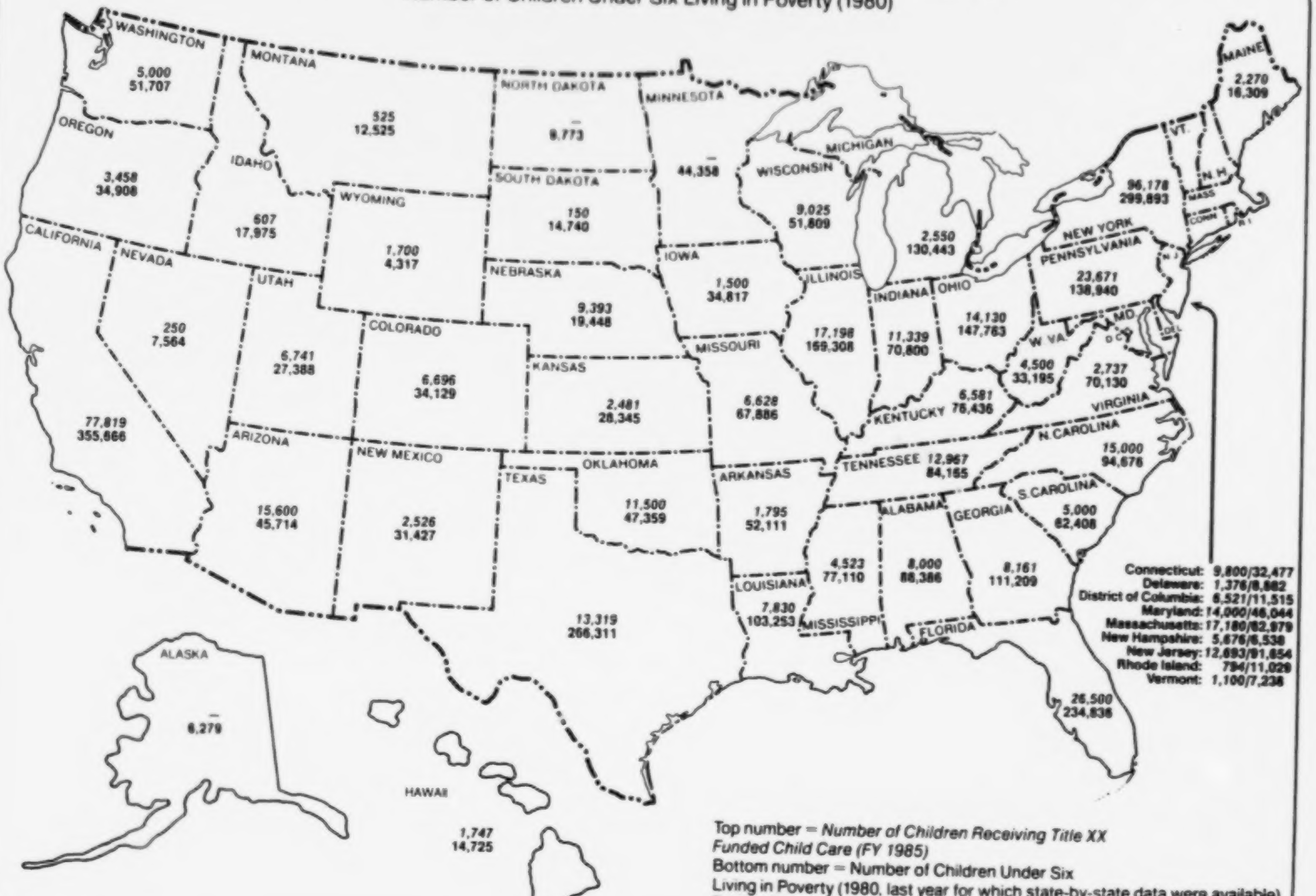
To help poor families like this one, Congress includes some modest child care assistance in the Title XX Social Services Block Grant, a general block grant program that allows states to use federal funds for a wide range of social services helping various groups. Although they collectively spend approximately 18 percent of the Title XX monies for child care, individual state commitments vary widely. Inadequate as it is, Title XX remains the major source of federal funding used by states for child care assistance to low-income families.

In recent years, as the need for child care assistance among poor families has grown, the funds for it have been cut. In 1981, the President and Congress reduced federal funds for Title XX for 1982 by 20 percent, including a loss of $75 million earmarked for training of child care and other service providers and administrators. Subsequent minor boosts in the Title XX appropriation have failed to keep pace with inflation, and have left total funding, in real terms, at 72 percent of 1981 levels.

Title XX Appropriation and Amount of Appropriation After Adjusting for Inflation (in Billions of Dollars)

	FY 77	FY 81	FY 82	FY 85	FY 86
Title XX Funding (including training funds)	$2.796	$2.991	$2.400	$2.725	$2.700
Title XX Funding adjusted for inflation (1981 dollars)	$4.165	$2.991	$2.234	$2.271	$2.164

Number of Children Receiving Title XX Funded Child Care Services (FY 1985) and Number of Children Under Six Living in Poverty (1980)


WASHINGTON
5,000
51,707
MONTANA
525
12,525
NORTH DAKOTA
–
9,773
MINNESOTA
–
44,358
OREGON
3,458
34,908
IDAHO
607
17,975
WYOMING
1,700
4,317
SOUTH DAKOTA
150
14,740
WISCONSIN
9,025
51,809
MICHIGAN
2,550
130,443
MAINE
2,270
16,309
VT.
N.H.
MASS
CONN
R.I.
NEW YORK
96,178
299,893
CALIFORNIA
77,819
355,866
NEVADA
250
7,564
UTAH
6,741
27,388
COLORADO
6,696
34,129
NEBRASKA
9,393
19,448
IOWA
1,500
34,817
ILLINOIS
17,198
169,308
INDIANA
11,339
70,800
OHIO
14,130
147,763
PENNSYLVANIA
23,671
138,940
N.J.
MD
DEL
D.C.
W. VA.
4,500
33,195
VIRGINIA
2,737
70,130
KANSAS
2,481
28,345
MISSOURI
6,628
67,886
KENTUCKY
6,581
76,436
ARIZONA
15,600
45,714
NEW MEXICO
2,526
31,427
OKLAHOMA
11,500
47,359
TEXAS
13,319
266,311
ARKANSAS
1,795
52,111
TENNESSEE
12,967
84,165
N. CAROLINA
15,000
94,676
S. CAROLINA
5,000
62,408
LOUISIANA
7,830
103,253
MISSISSIPPI
4,523
77,110
ALABAMA
8,000
88,386
GEORGIA
8,161
111,209
FLORIDA
26,500
234,836
ALASKA
–
6,279
HAWAII
1,747
14,725

Connecticut: 9,800/32,477
Delaware: 1,376/8,882
District of Columbia: 6,521/11,515
Maryland: 14,000/46,044
Massachusetts: 17,180/62,979
New Hampshire: 5,676/6,538
New Jersey: 12,693/91,854
Rhode Island: 794/11,029
Vermont: 1,100/7,238

Top number = *Number of Children Receiving Title XX Funded Child Care (FY 1985)*
Bottom number = Number of Children Under Six Living in Poverty (1980, last year for which state-by-state data were available)
Dash = Data not available

Even before the 1982 cuts, Title XX child care programs only served 472,000 of the 3.4 million children younger than six living in poverty in 1981. By 1984, there were 4.9 million poor children in that age group, and less money to serve them. In response to the federal cuts, twenty-four states now offer Title XX child care to even fewer youngsters than in 1981.

Other states have used a range of measures to avoid deep reductions in the numbers of children served. They have had to reduce other Title XX services for poor children and families, to hold down or reduce reimbursements for child care providers (thus threatening the quality of care), or to attempt to compensate by substantially increasing state funds for child care. Few have taken this last course, however.

Overall, the availability of child care funding remains well below 1981 levels. Thirty-five states are spending less money (after inflation) for child care services funded through the Title XX Social Services Block Grant in 1985 than in 1981. Twenty-two states are spending less for child care now than in 1981, even without an adjustment for inflation.

Those that have tried to buck the trend usually have added only modest amounts to supplement Title XX services. The funds often are targeted on specific groups of children and families, such as low-income working families that are poor but not eligible for AFDC, school-age children, mothers enrolled in training programs or institutions of higher learning, and adolescent mothers.

State policies concerning Title XX vary widely. In many states, these policies significantly limit the availability of child care for low-income families.

- Inflexible eligibility rules penalize many poor parents for even modest wage gains. States like Louisiana do not use a sliding fee scale. This forces some parents to refuse even modest wage increases, longer hours, or a better job to keep their income low enough to continue to qualify for child care assistance.

- Although most families using Title XX child care are headed by single women, short-sighted rules in many states and counties deny child care to mothers enrolled in school or training programs, foreclosing their opportunity to gain the skills necessary to move out of poverty.

In addition to serving fewer children, states have made choices that hurt the quality of care. Among these are drastic reductions in training funds, lowering of standards, and the establishment of extremely low reimbursement rates to providers. These false economies have exacerbated two common problems of child care programs: high staff turnover and difficulties in the recruitment of trained caregivers. State licensing standards intended to protect quality of care vary significantly, in many cases guaranteeing only the bare minimum.

While several states have instituted tax relief measures designed to ease the child care burden on families, as in the federal system this approach serves families unevenly. The dependent care tax credits or deductions instituted in twenty-six states help moderate- and middle-income families, but yield few or no benefits to the working poor.

Another method used by a number of states for paying some child care costs is to assist working mothers on AFDC through the child care disregard. It stipulates that a family can deduct the amount it has paid to a child care provider (up to a maximum of $160 per month per child, regardless of the actual cost of decent care) from its income, when AFDC benefits are computed. It fails to work for many families because AFDC eligibility and benefit levels in almost all states are so low that any large out-of-pocket expenses, including child care, impose a major hardship. Most families cannot shortchange their immediate needs for heat, food, and clothing even with the guarantee of (often partial) reimbursement.

A range of other federal programs that have helped to bolster child care services also have been cut since 1981. The Child Care Food Program (CCFP) helps child care centers and family day care homes serve nutritious meals to children. CCFP has played a key role in encouraging family day care providers to become licensed or registered, a requirement for participation, thereby improving the quality of family day care. Until FY 1982, programs could use federal funds to provide three meals and two snacks per day. Federal budget cuts have limited the help to two meals and one snack, regardless of how many hours children are in care.

A small new child care initiative that Congress passed in 1984, the Dependent Care Resource and Referral/School-Age Block Grant, authorizes $20 million for each of two years to help states start school-age child care programs and resource and referral programs. Congress did not provide any funding to implement this legislation in FY 1985, however, and approved only $5 million for FY 1986.

Some other federal programs, such as the Job Training Partnership Act, the Work Incentive Program, and the Community Development Block Grant, also provide funds that can be used for child care, but the use of them has been very limited and funds for some have been cut since 1980.

As a result of these budget cuts, state data on child care show a very large and widening gap between low-income families' need for assistance and the meager resources available.

- Florida has a waiting list of 21,000 children for Title XX-funded child care.
- Idaho provides no child care support for low-income working parents who are not eligible for AFDC. Boise's Resource and Referral program reports numerous calls from mothers earning less than $10,000 a year who cannot afford child care but who are not eligible for help.
- In 1984, only 20,000 of the 300,000 Pennsylvania children in need of subsidized child care received it.
- Connecticut reports that fewer than one-third of the children needing day care can be accommodated in licensed day care facilities. A majority of Connecticut towns have no after-school child care program.

THE IMPACT OF REDUCED CHILD CARE HELP ON FAMILIES HAS BEEN SEVERE

The dearth of adequate care is taking its toll on most of America's working families and their children, but is hurting the poor the most. Too many young children are in makeshift child care arrangements or worse, caring for themselves:

- In FY 1982, 729 West Virginia families lost child care help due to changes in eligibility rules. Of 565 families that later responded to a questionnaire regarding their new child care arrangements, 391 children had to be moved to new child care and at least seventy-nine children were left to care for themselves.

- At least one-sixth of the children affected by funding cuts are now regularly left alone at home and unsupervised, according to a survey of families in New York State in 1982. More detailed analysis at the local level (Westchester County) concluded that the loss of day care increased the risk of maltreatment or neglect for some children. Other parents chose to leave work altogether and to go on welfare rather than to neglect their children. Many struggled to pay child care center fees, often unsuccessfully. Others placed children in the care of older siblings. Still others were forced to choose babysitting arrangements lacking proper nutrition and child development resources. For some children, arrangements were sporadic, resulting in harmful shifting from one caretaker to another.

- A report prepared by the Association for Children of New Jersey found that New Jersey has child care facilities for fewer than two out of three children who need them. In addition, as many as 250,000 elementary school children in the state are home alone after school.

- A report prepared for the governor of Maine by the Child Care Task Force revealed that 500 children age five or younger spent time during a typical week caring for themselves. Another 2,000 children under age three and 1,000 children ages three to five were sometimes left at home alone, with only a neighbor or friend looking in on them. Almost 25,000 Maine children ages six through twelve spent an average of more than four hours caring for themselves during a typical week.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

The Administration continues to propose cuts in a range of programs that help provide direct support for child care to low-income families. These proposals make it more difficult for many low-income families to afford supportive child care arrangements. President Reagan proposes:

- Cutting the Title XX Social Services Block Grant by adding additional responsibilities without increasing funding. The 1986 appropriation for Title XX is $2.7 billion, although Gramm-Rudman cuts are scheduled to reduce that by

$116 million to $2.584 billion. While the Reagan FY 1987 budget proposal sets funding at the pre-Gramm-Rudman FY 1986 level of $2.7 billion, it eliminates other programs and says they should be funded under the Title XX umbrella. The programs are the Community Services Block Grant and Legal Services. (The President also proposes rescinding $182 million of the 1986 Community Services Block Grant appropriation.) Because these programs would be added to Title XX responsibilities without any additional funds, this would result in a net cut from FY 1986 to FY 1987 of $671 million -- or 20 percent -- from the combined appropriations level for all three programs.

- Eliminating the Work Incentive (WIN) program, as well as rescinding funds for WIN in the last quarter of FY 1986. This program helps provide child care for low-income parents who are in work and training programs. Abolishing WIN would make it even more difficult for parents to gain the skills they need to be self-sufficient.

- Rescinding $5 million appropriated in FY 1986 to help states start school-age child care programs and resource and referral efforts, and eliminating this funding in FY 1987. Although Congress passed a two-year reauthorization in FY 1985, the Administration has yet to implement this modest federal commitment, which could encourage more states to expand support for these two key child care services.

- Cutting the Child Care Food Program (CCFP) by approximately $200 million by eliminating meal subsidies to children from families earning more than 185 percent of the poverty level. The proposal would require a means test for children in family day care homes to allow the homes to obtain CCFP funds for the eligible children. This means test will have an impact beyond the loss of meal subsidies and the generation of paperwork. First, it will hurt the quality of family day care, the largest source of child care in the country, especially for infants and toddlers. Child care food assistance is a major incentive for family day care providers to become licensed or registered with state regulatory agencies, thus helping to improve the quality of child care. Under CCFP, family providers, many of whom have no special training, receive valuable support through umbrella sponsors, including training and two to three monitoring visits a year. The imposition of a means test and the resulting administrative burden may cause many of these providers to drop out of the Child Care Food Program and leave any licensing or regulatory system. This reduction also would affect child care centers, which have used this money to provide support on a sliding scale subsidy based on a family's income. The Administration's proposal to eliminate all CCFP assistance to centers (for families earning more than $20,000 a year) will make it difficult for child care centers serving both low- and moderate-income children to continue offering nutritious meals to those who need them most.

- Adding increased responsibilities to the Community Development Block Grant while reducing funding by $500 million (or approximately 20 percent) beginning in 1986. A number of child care programs operating on very tight budgets make ends meet with the help of CDBG funds. The reduction or total loss of Community Development Block Grant monies would result in children losing child care or a reduction in the quality of care offered to children.

CDF RECOMMENDATIONS

The federal, state, and local governments must take the initiative to build a child care system that works. Only a government commitment to child care can ensure both that low-income parents can work and that their young children can get the supportive child care they need, sparing them the risks of being left to care for themselves or spending their days in unsafe and unstimulating out-of-home care.

By substantially increasing funds for the Title XX Social Services Block Grant, from $2.7 billion this year to $3.3 billion in 1987, and by establishing a child care set-aside in Title XX, the Children's Survival Bill begins to create the resource base necessary to meet this goal.

Local institutions must join the effort to meet their area's child care demands. For example, schools should expand before- and after-school programs, lengthen the kindergarten day, offer child care and other services to adolescent parents, and explore the possibility of working with the child care community to serve four-year-olds.

Child care is a critical service for adolescent mothers, giving them the help they need to graduate from high school. The Children's Survival Bill would authorize $100 million for local education authorities to operate or contract with community-based child care groups to provide child care for teen parents in or accessible to high schools. Programs must serve children through the toddler stage and offer parenting education to parents as well as to other students.

The Children's Survival Bill contains further attempts to broaden the base of community institutions offering child care services at affordable rates generally, and at no cost to the poor.

The bill provides incentive funds to institutions ranging from public housing authorities to public school systems and colleges. This encourages the development of child care services at locations convenient to parents with varying needs. The bill includes additional support to expand and strengthen the network of family day care providers.

Resource and referral programs should be in place in every community. They would assist families in finding child care that meets their particular needs and provide support to the child care system. Caregivers should be provided additional training and paid adequate wages.

To these ends, the Children's Survival Bill calls for appropriating a modest amount of federal funds for start-up and operating costs for resource and referral programs and would provide $50 million for training through the Title XX Social Services Block Grant. It creates a small but important scholarship program for providers seeking to improve their skills by earning a Child Development Associate Credential. The bill also would add funds to the Child Care Food Program to improve the quality of meals offered to children who spend a major portion of the day in child care.

In using these new and existing resources, state and local governments should not create fragmented systems, or second-class systems for welfare recipients. Child care policies should not be considered in isolation from preschool initiatives or programs to encourage AFDC parents to work. Child care programs that allow AFDC mothers to work must provide the same high-quality child development experience as preschool programs designed for low-income children. Preschool programs should be tailored to accommodate the hours of working parents, and not be automatically considered a part-day resource to be supplemented by child care elsewhere.

All child care consumers should be protected by strong licensing and regulatory policies that include high standards monitored by an adequate number of well-trained staff. The Children's Survival Bill includes incentive funds to encourage states to strengthen their child care standards and to expand and improve their capacity to monitor facilities.

CHILD CARE: FUNDING AND BUDGET REQUESTS, FY1981-FY1987
(in millions of dollars)

program	FY1981 actual	FY1982 proposed	FY1982 actual	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 actual	FY1986 after Gramm-Rudman	FY1987 proposed
SSBG/ Title XX	2,991.8	--[a]	2,460.0	1,974.0	2,450.0	2,560.0	2,700.0	2,700.0	2,725.0	2,700.0	2,700.0	2,584.0	2,700.0
Child Care Food Program	295.0	242.8	270.5	--[b]	335.2	--[b]	409.0	--[b]	434.9	282.0	483.5[c]	--[d]	338.1

[a] A large number of programs were proposed for inclusion in the Social Services Block Grant; total funding for the block grant would have been cut by 25 percent.

[b] Proposed to repeal, include in block grant; funding would have been cut by 27 percent in FY1983, by 30 percent in FY1984, and by 4 percent in FY1985.

[c] Estimated.

[d] Not available as of February 5, 1986.

17. Head Start

The first four or five years of a child's life are a critical period. They mark a time of rapid growth and development, a time during which a youngster is most open to outside influences. Exposure during these years to a wide variety of activities and to substantial interaction with other children and adults greatly enhances a child's ability to learn throughout childhood. Whether integrated into a child care program or as a separate part-day experience, a well-structured early childhood development program can help a child build the skills and confidence necessary to maximize learning in elementary school and beyond.

The role that an early childhood development program can play in promoting a child's development has impressed a broad range of policymakers. For example, the Research and Policy Committee of the business-led Committee for Economic Development strongly supports a public investment in such programs for low-income children. Its 1985 report, "Investing in Our Children," stated: "If we examine the Perry Preschool Program for its investment return and convert all costs and benefits into current values based on a 3 percent real rate of interest, one year of the program is an extraordinary economic buy. It would be hard to imagine that society could find a higher yield for a dollar of investment than that found in preschool programs for its at-risk children."

Recognizing the importance of making this early investment, more and more Americans, especially those with the means to pay for early childhood development programs, are enrolling their children.

Enrollment of three- and four-year-olds nearly doubled from 1970 to 1983. According to the National Center for Education Statistics, 53 percent of three- to four-year-olds whose families had incomes of $25,000 a year or more attended a preschool program in 1982.

But not all American children are benefitting equally from this trend. Fewer than 29 percent of such children whose families had incomes of less than $10,000 a year were enrolled that same year. Most poor children are not getting an equal opportunity to participate in early child development programs.

The reason for the discrepancy is obvious. Millions of poor or near-poor parents cannot afford to provide their young children with this key enriching experience. One out of four American children younger than six is growing up in a poor family. Nearly two-thirds of preschool children living in single-parent households were poor in 1983.

THE HEAD START PROGRAM

To try to compensate for the many disadvantages suffered by low-income children and to help parents who cannot afford to pay for early childhood development services, for the past twenty years the federal government has offered Head Start, the early childhood development program targeted to America's neediest three-to-five-year-old children and their families. Head Start serves only families that could not otherwise afford these services. Ninety percent of its children are from families that live below the poverty level.

- In Newark, New Jersey, the average annual income of Head Start families is $5,724. One-third of these families live in homes that are heated only some of the time. One-third have trouble getting themselves and their children to doctors' appointments because they do not have bus fare.

When the Head Start program was launched in 1965, researchers and policymakers aimed chiefly to help provide the disadvantaged children it serves with a chance equal to that of their more advantaged peers to reach their full potential. The program has pioneered concepts that now are widely accepted as key to successful child development. Head Start mixes education with strong parent involvement and comprehensive service delivery. This comprehensive approach is reflected in Head Start's broad set of objectives: improving and expanding children's ability to think, reason, and speak clearly; working to improve children's health; aiding their emotional and social development; and helping both children and their families gain greater confidence, self-respect, and dignity.

Head Start's multi-faceted approach is key to helping low-income children and families. The reasons are not mysterious. Children who miss breakfast and have little to eat during the rest of the day will have a difficult time concentrating in school, and generally will fail to thrive. Children who are sick and who do not receive regular health care will miss too many days of preschool, will be lethargic when they do attend, and will suffer from these problems as they continue their school careers. With special help, parents who are trapped in a cycle of poverty and deprivation can become partners in their children's learning experiences and take steps toward self-sufficiency themselves. Communities that are involved in helping themselves and running their own programs can become stronger. The program's results prove that comprehensive services work well.

Head Start works for children. Head Start children are less likely to be held back a grade or assigned to a special education class than similar children who do not attend the program. Children in Head Start obtain markedly higher levels of health care than children not in the program, have fewer absences from school, and perform better on physical tests. In the program year 1983-1984, 100 percent of the children enrolled for ninety days or more completed medical screening, including all of the appropriate tests. Ninety-six percent of those identified as needing treatment received treatment. Ninety-five percent of the children were brought up to date in their immunizations.

Head Start also works for parents. Four out of five of Head Start children's parents are providing a volunteer service in the program. Thirty-one percent of the program's paid staff are parents of current or former Head Start children.

- Ms. Morales was a single parent who cleaned houses to earn money. After her youngest child enrolled in Head Start, Ms. Morales got a job as a substitute teacher aide in the classroom. She became active on the staff's career development committee and enrolled in high school equivalency classes sponsored by Head Start. After a year of preparation, she earned her high school equivalency degree. In 1974, she was promoted to teacher aide. Because she wanted to improve her skills and get a further promotion, Ms. Morales began taking college courses. In 1977, she earned her Associate in Arts degree. The following year she was promoted to teacher.

Dr. Edward Zigler, first director of the Office for Child Development of the Department of Health and Human Services, from 1970 to 1972, has said:

> "Head Start in many ways represents the best instincts of the American people. America's professionals adopted the program. Physicians, psychologists, and social workers selflessly donated countless hours in making their professional acumen available to children who needed it. Local Head Start personnel often worked year after year with no increase in salary, despite rising inflation. Perhaps the most vital force of all in the Head Start story has been the parents of Head Start children. Literally millions of Head Start parents working at the thousand-and-one tasks required to make Head Start function have built equipment for centers, participated in local parent policy councils, assisted Head Start teachers and medical staff."

Comprehensive Early Childhood Development Programs Enhance Enrollees' Long-Term Education and Employment Prospects

The impact of a Head Start type experience lasts through high school and beyond, in ways that benefit the society as much as the children. "Changed Lives," by High/Scope Educational Research Foundation, a twenty-year follow-up study of graduates of a program like Head Start, reinforces previous findings that the program is cost-effective. It found that the total economic benefits of two years of such an experience to the individual child and to society as a whole outweigh the costs by seven-to-one. Compared to their peers without a similar experience, graduates were much more likely to graduate from high school and to go on to vocational or academic training after high school. They were more likely to be supporting themselves and less likely to be receiving public assistance. Graduates are less likely to be in trouble with the law, less likely to become teen parents, and more likely to be employed than those without the early childhood development experience.

Similar results emerged from a study by the New York University School of Education, which followed up on former participants in an enriched early childhood development program in Harlem in New York City. One hundred seventy-eight young people aged nineteen to twenty-one who had participated in an extensive Head Start type program in the mid-1960s were found to have benefitted significantly. They now have an employment rate double that of a control group. They are 50 percent more likely to have graduated from high school, and are also about one-third more likely to have gone on to some form of postsecondary education. Many Head Start children move through school to extremely productive careers:

- Sandra Dixon of Alabama was a mother for the first time at age sixteen. Three of her sons attended the local Head Start program. The oldest boys have completed high school and college and both have responsible management positions -- one with a private company and one with a major city. A third son is a football coach at a state university.

Head Start is the Main Source of Early Childhood Development for Poor Children

The federal government, through Head Start, remains the primary source of support for comprehensive early childhood development programs for low-income children. Neither the private sector nor the states have come forth since 1965 with significant resources to fund these key services to children or their families.

In some states, the education reform movement has spawned interest in state-funded preschool programs. More state-level leaders now recognize that an early start for low-income children may be a key factor in improving their ability to succeed. Accordingly, Maine has made a $2 million state investment in Head Start and Illinois will channel $12 million to local school districts for programs for four-year-olds. A few other states, such as California and New York, have made modest investments in preschool for low-income children in recent years.

However, the large majority of states do not provide funds for early childhood development programs for four-year-olds. In a number of states such as Mississippi, which is only now appropriating state funds for kindergarten programs for five-year-olds, state funding for preschool does not seem to be a realistic option in the near future. And even those states that have passed preschool initiatives have focused their programs primarily on the education component of preschool, as opposed to encouraging the comprehensive approach -- the hallmark of Head Start -- which is critical to effectively serving low-income children and families.

In this context, expanded federal commitment to Head Start is essential to ensure that needy children in every region of the country have access to an effective early childhood development program.

Waiting Lists Grow as Funding Remains Stalled

Despite Head Start's proven effectiveness, however, the federal commitment of funds falls far short of need. Head Start now reaches 452,000 disadvantaged youngsters, or only 18 percent of the 2.5 million who need its services. Although funding for Head Start has increased from $820 million in 1981 to $1.087 billion in 1986, this apparent growth is somewhat illusory: the increase is only roughly equal to inflation. Hundreds of thousands of underprivileged children are on Head Start waiting lists. Most of them probably will never get into the program by the time they enter elementary school.

In recent years, the overall federal resources supporting Head Start actually have dropped, due to cuts in related programs. Reductions in the Child Care Food Program, the Title XX Social Services Block Grant, and Medicaid have diminished the ancillary funding sources that help Head Start programs offer a comprehensive service package. The elimination of the Public Service Employment component of the Comprehensive Employment and Training Act (CETA) in 1981 meant that Head Start lost 6,000 staff members who served more than 50,000 children.

Administration actions since 1981 also have weakened the program by reducing monitoring of the program and by making the grantees' self-evaluation process optional. One Administration proposal, to cut funds for staff training in half, would have been particularly devastating to this program, with its high quotient of volunteer staff and high staff turnover, and was rejected by Congress for that reason. But the Administration did succeed in cutting back funds for the Child Development Associate Program, a program that encourages caregivers to improve their skills by providing them with credentials based on their improved levels of competence.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

The Administration recommends funding Head Start at $1.075 billion in FY 1987, the same level as in FY 1985. Congress appropriated more than this -- $1.087 billion -- for 1986, although Head Start is slated to be cut back to $1.04 billion this year as a result of the first Gramm-Rudman cut.

The Administration's proposal means that fewer children will get the benefit of the Head Start experience. In FY 1985, Head Start served 452,000 children. Administration officials claim that 448,000 children will be served in FY 1987. But given inflation, thousands of children actually will lose Head Start services under the Reagan proposal.

A further proposal would deny Indian and migrant programs the automatic cost-of-living increases that they normally receive.

The Administration proposal also indicates the Department of Health and Human Services' intent to concentrate on serving four-year-olds almost exclusively and to limit most children's participation in the program to one year. Limiting the program to four-year-olds means that Head Start excludes needy five-year-olds who are not ready for school and denies important early help to three-year-olds and their families.

Limiting a child's time in Head Start to one year denies continuity of services and will mean that many children and families most in need of the comprehensive help that Head Start offers may not be able to benefit from it.

In addition, the Administration proposes a legislative change that will hurt Head Start employees. Under this measure, Head Start programs would be classified as educational institutions, making employees ineligible for unemployment compensation. Since Head Start programs offer comprehensive services to families, they are designated as non-educational institutions for purposes of unemployment insurance. The suggested change would mean that Head Start employees who cannot locate summer employment during the months the program does not operate would lose needed unemployment benefits. Because many employees are low-income, this change undoubtedly would force many to apply for AFDC.

CDF RECOMMENDATIONS

This is a key year for the Head Start program because it is scheduled for reauthorization by Congress. Congress should build on the program's success by passing a five-year reauthorization, with substantially increased funds to enable Head Start to reach more children. In the process, Congress should meet two key goals: maintaining a high-quality comprehensive program and enabling more children to be served. Congress should renew current provisions of the federal law that protect the quality of Head Start for all children and ensure that those who need more than one year of help from the program can receive it. Authorization levels that would increase by $200 million a year for several years could double Head Start's funding base and serve hundreds of thousands more children.

Eventually, every eligible preschool child should have the benefit of an experience in Head Start or a comparable program. Federal Head Start funding, as supplemented by the states where necessary, should be sufficient to provide a high-quality, comprehensive early childhood development experience to every child for whom it can make a positive difference.

Congressional consideration of Head Start should lead to a broader understanding of the needs of disadvantaged youngsters and their families. Head Start, however successful, is only one of the rungs on the ladder they must climb to reach self-sufficiency. A high quality early childhood program by itself cannot compensate for all the disadvantages faced by a child who grows up in dilapidated housing, lacks access to adequate health care or nutrition, or goes to a school that does not encompass the Head Start principles for working with low-income children and families. Yet, Head Start is a key starting point, and extending this program and its comprehensive approach will help make it easier for children and families to move up this ladder.

HEAD START: FUNDING AND BUDGET REQUESTS, FY1981-FY1987
(in millions of dollars)

program	FY1981 actual	FY1982 proposed	FY1982 actual	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 actual	FY1986 after Gramm-Rudman	FY1987 proposed
Head Start	820.0	911.7	911.7	912.0	912.0	974.7	995.0	995.0	1,075.1	1,075.1	1,087.1	1,040.0	1,075.0
CCFP	295.0	242.8	270.5	--[a]	335.2	--[a]	409.0	--[a]	434.9	282.0	483.5[d]	--[e]	338.1
SSBG/ Title XX	2,991.8	--[b]	2,460.0	1,974.1	2,456.0	2,456.0	2,700.0	2,700.0	2,725.0	2,700.0	2,700.0	2,584.0	2,700.0
CETA[c] Public Service Employment	2,195.0	0.0	100.0	--	--	--	--	--	--	--	--	--	--

[a] Proposed to repeal, include in block grant; funding would have been cut by 27 percent in FY1983, by 30 percent in FY1984, and by 4 percent in FY1985. For FY1984 and FY1985, the Head Start portion of CCFP would have been transferred to the Head Start budget.

[b] A large number of programs were proposed for inclusion in the Social Services Block Grant; total funding for the block grant would have been cut by 25 percent. Many Head Start programs use SSBG monies to provide support services.

[c] Head Start programs lost an estimated 6,000 employees when CETA Public Service Employment was eliminated.

[d] Estimated.

[e] Not available as of February 5, 1986.

Note: Cuts in AFDC, Medicaid, and Food Stamps have hurt Head Start families. For more information, see the relevant chapters in this volume.

18. Energy Assistance for Families

An adequate source of heat to protect against the winter's cold and, in many parts of the country, cooling to protect against the summer's heat are necessary to the health of every child. The very young, like the elderly, are especially susceptible to the effects of hypothermia (loss of body heat) at below normal temperatures. Excessive cold or heat makes a child far more vulnerable to illnesses and a range of physical and cognitive problems.

While most American families can afford to pay the energy costs to protect their children from temperature extremes, a growing number of the poor cannot. In northern states, for example, energy costs are eating up an average of more than 20 percent of the incomes of low-income households, while the average American household spends less than 5 percent of its income on energy.

In more than half the states, the average low-income household's energy expenditure is roughly $1,000 a year or more. As a result, in households living on AFDC benefits, very low wages, or other small incomes, energy costs take away resources that are needed for food, clothing, and rent. In Alabama, the U.S. Department of Health and Human Services estimate of a low-income household's annual energy costs is equal to 57 percent of the state's annual AFDC grant for a family of three. It is 68.5 percent in Mississippi and 45.1 percent in Tennessee. In northern states with higher AFDC grants but higher energy costs, the situation is better only in a relative sense. Indiana AFDC families of three would have to spend 35 percent of their total incomes on energy, Illinois families 31 percent, and

Michigan families 20.2 percent. The resulting trade-offs become especially harsh in winter, when heating costs soar. For these families, what should be a modest, but important, element of the household budget has become a major and often unmanageable drain on their resources, to the point of threatening their health and well-being. Overall, energy cost increases have sapped billions of dollars in purchasing power from the poor, leaving an increasing number of households deeply in debt to their utilities or, worse, without utility service or other fuel sources in the winter.

There are two major contributing factors to the energy dilemma faced by low-income families. First, since the mid-1970s our nation has experienced an energy price explosion, with the cost of heating oil and natural gas increasing five- or six-fold. Despite a recent dip, the ten-year upward energy cost trend has far outstripped inflation. Its overall impact on poor families' budgets will dwarf any projected moderation of energy costs.

Second, the effect of rising energy costs has been exacerbated because many of the poor, including families with small children, live in the oldest, most poorly insulated housing stock. Moreover, they lack the resources (and, in the case of many renters, the incentive) to invest in the weatherization of their homes.

This situation is costly not only to the households involved, many of which are suffering day-to-day hardships and health risks, but also to society as a whole. The human suffering involved leads to higher costs for medical care and other social services needed to cope with household crises. And by failing to help low-income households to weatherize their housing, we waste energy, drive up prices, and increase our reliance on foreign supplies.

FEDERAL ASSISTANCE PROGRAMS ARE INADEQUATE TO OFFSET THE RISING ENERGY COST BURDEN ON FAMILIES

The federal government bears some of the responsibility for the energy cost shock faced by poor families. It was the federal policy of oil and gas deregulation that accentuated the increases in energy prices. Further, the government's efforts to offset the impact of these policies are inadequate.

The federal government offers two programs to help low-income energy consumers meet their energy needs. One is the Low Income Home Energy Assistance Program (LIHEAP), which helps the poor pay their energy bills or weatherize their homes. LIHEAP, established by Congress in 1980 and changed to a block grant in 1981, provides funds to the states, with significant state discretion in how to spend this money. It has been funded at $2.1 billion for the past three years. A second, smaller program, the Low Income Weatherization Program, focuses exclusively on helping the poor to make their homes more energy-efficient. This modest effort has been funded at roughly $190 million for several years. At the current rate of progress provided by this program and others, it will take well into the twenty-first century to weatherize all low-income units.

These programs have survived repeated attempts by the Administration to either drastically reduce or eliminate them. For a number of years, the Administration proposed reducing the energy assistance program by one-third and phasing out the weatherization program completely. Two years ago, after winning few congressional allies for that proposal, the Administration changed its tack. It then proposed that a portion of the energy assistance program and all of the weatherization program should be funded out of oil overcharge funds. These monies are collected by the federal government from the oil companies for violations of the now-defunct petroleum price control regulations. But this money should be returned to the consumer to make up for past overcharges, not used as an excuse to reduce appropriated dollars in current federal programs. To date, Congress has rejected this Administration proposal.

While energy assistance programs have survived, they are reaching only a fraction of the poor families that need them. In FY 1985, approximately 6.8 million households were served by LIHEAP, with an average benefit of $220 per household. During that same time, the Low Income Weatherization Program reached only 200,000 units. In total, those served are a small proportion of the roughly 22 million households that are potentially eligible for aid under the two programs.

Since FY 1981, total funding levels for the programs have lagged behind the overall inflation rate, and much further behind the rise in energy prices. Inadequate federal funding has meant that many states are cutting back on the amount of energy assistance they provide to the minority of households they do help. For example, Pennsylvania and Wisconsin have been forced to reduce their average benefits by between 20 and 40 percent.

Few states provide any of their own funds for energy assistance. No more than one-sixth of the states either add state funds into the program or operate a parallel or complementary program. Only a handful help weatherize the homes of low-income households, although a number of public utility commissions across the country are now requiring local utilities to establish programs to assist in the weatherization of some of their customers' dwellings.

Overall, the nation's contribution to energy assistance does little to offset the cost burden borne by the poor. In New York State, for example, low-income citizens spend, on the average, in excess of $1,140 a year on home energy. Average LIHEAP benefits in FY 1985 to those poor families that obtained assistance were only $215. This left an average of $925 in energy costs to be covered by the family, almost one-seventh of the annual income of a family headed by a full-time minimum wage worker. During the same year, of more than 1.5 million New York households potentially eligible for help under the weatherization program, only about 22,000 received assistance.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

For the first time, the Administration is not asking for a cut in LIHEAP. It proposes an FY 1987 funding level of $2.1 billion, the same amount that Congress has appropriated for the past three years.

The Administration does propose, however, to eliminate the $178 million weatherization program (allocating only $38 million for the cost of winding down and closing shop). The only apparent rationale offered in the budget is the suggestion that weatherization is a state and local responsibility, which states possibly could fund through oil overcharge funds.

The proposed elimination of weatherization -- not to mention the scheduled Gramm-Rudman cuts in LIHEAP (the March 1, 1986, 4.3 percent Gramm-Rudman cut would take about $90 million from LIHEAP) -- would leave energy assistance far below the level of need and considerably below even the level necessary to compensate for the years of energy cost inflation.

CDF RECOMMENDATIONS

The federal government, which shares the responsibility for the energy cost burden on low-income families, should provide a level of assistance through income maintenance, weatherization help, and bill-paying aid which will reduce this financial strain to the manageable level. The four-to-one ratio between low-income households and other households in the share of household income going to energy costs should be at least halved. Over the long term, it is critical that the federal government provide sufficient weatherization funds to make a meaningful attack upon the poor weatherization quality of low-income dwellings. A reasonable national goal would be to weatherize all low-income homes within ten to fifteen years.

ENERGY: FUNDING AND BUDGET REQUESTS, FY1981-FY1987
(in millions of dollars)

program	FY1981 actual	FY1982 proposed	FY1982 actual	FY1983 proposed	FY1983 actual	FY1984 proposed	FY1984 actual	FY1985 proposed	FY1985 actual	FY1986 proposed	FY1986 actual	FY1986 after Gramm-Rudman	FY1987 proposed
Low Income Home Energy Assistance	1,850	1,400	1,875	1,300	1,975	1,300	2,075	1,875	2,100	2,100	2,100	2,010	2,100

19. Legal Services

All families occasionally need legal help to settle disputes or defend themselves against fraudulent practices. Well-off families can afford to purchase the services of private attorneys. Poor families cannot.

Federal funding of legal services for poor people began with the Office of Economic Opportunity (OEO) in 1965. The Legal Services Corporation (LSC) was established in 1974 with bipartisan congressional backing. LSC was created to insulate the program from political pressure. This was because the legal services program had garnered some outspoken and powerful opponents, including then-Governor Reagan, who had tried to cut off federal funding for legal services in California.

LSC is a semi-independent, nonprofit corporation that distributes federal funds to legal aid field programs. These programs employ staff attorneys and paralegals to represent low-income clients. Funds also go to a limited number of national and state support centers that specialize in particular areas of poverty law and provide backup to local legal services lawyers.

The vast majority of legal services cases are individual service cases. In 1984, legal services offices closed 1.08 million cases, many with advice only or a letter or phone call. More than 90 percent of cases were closed without need for a court decision. Slightly more than 30 percent of cases involved family and juvenile matters, such as divorce, custody, child abuse, and guardianship. Nineteen percent involved housing law (primarily landlord-tenant disputes); 18 percent involved public benefit issues in such programs as Aid to Families with Dependent Children (AFDC), Medicaid, or Food Stamps; and 12 percent involved consumer issues such as bankruptcy and defending debt collection actions.

Sometimes, to better serve clients' interests, legal services attorneys have pursued class action litigation or legislative remedies that pit legal services against powerful private or government interests. Class actions are often the most efficient way of representing the interests of many poor clients -- for example, when a statewide welfare policy results in erroneous benefit calculations for hundreds of families. Precisely because they are so effective, class action suits as well as legislative representation have earned political opposition that has attempted to eliminate or restrict legal services.

PRESIDENT REAGAN HAS PROPOSED ELIMINATING LEGAL SERVICES FIVE YEARS IN A ROW

The federal legal services program, although considerably reduced, has survived the Administration's fifth attempt in as many years to wipe it out entirely.

When President Reagan took office, LSC received $321 million in federal funds -- a level of funding that allowed programs to meet only 15 to 20 percent of the estimated need. For each ensuing year, however, the Administration proposed eliminating all funding for legal services.

Congress initially responded by preserving the program but slashing funding by 25 percent to $241 million for FY 1982. In FY 1984, Congress partially restored the funds that were cut, raising funding to $275 million. In FY 1985, Congress again increased LSC funding, to $305 million, a modest gain that still left the program below FY 1981 levels. FY 1986 funding has been set at $305.5 million. Adjusting for inflation (as reflected in the consumer price index), this is 76.2 percent of FY 1981's total. However, if Gramm-Rudman takes effect, FY 1986 funding will be reduced to $292.3 million.

Survival at this reduced level has required the program to cut back on staff and services. At the beginning of 1981, before the cuts, there were 6,337 field program attorneys nationwide; at the end of 1984, there were 4,767 -- a 25 percent reduction. Reduced staff translates into reduced services: in 1981, New Hampshire Legal Assistance served 13,000 clients; today, it can help only 10,500.

States have not made up the funding difference. They have put extremely little of their Title XX Social Services money, which the Administration suggested as an alternate funding source, into legal services. As of April 1985, twenty states had implemented programs that will help fund legal services programs with money collected as interest on lawyers' trust accounts (escrow accounts in which lawyers keep clients' money separate from other law firm accounts). These programs had distributed only $13 million, however, far short of the $95.4 million (after inflation) that legal services has lost on the federal level. Nor has the private bar picked up the slack. While private practitioners do provide valuable pro bono assistance, the American Bar Association -- one of the most active proponents for LSC's continuation -- argues that pro bono efforts alone cannot meet the need.

Administrative Attempts to Undermine Legal Services

For the first time in four and one-half years, the Administration succeeded in 1985 in winning Senate approval of the President's nominees to the LSC board of directors. As a result, this board now includes several members who are hostile to legal services field programs or critical of efforts to help poor clients through legislative advocacy and class action lawsuits. The new board (and its predecessor boards of interim, unconfirmed presidential appointees) have proposed measures calculated to undermine legal services' ability to solve the problems of poor clients in a systematic fashion.

- Elimination of support centers: For FY 1986, the board proposed to cut funding for national, regional, and state support centers, as well as legal services programs serving migrants. Support centers, which specialize in particular areas of poverty law, provide invaluable backup to legal services programs. Congress, in its FY 1986 appropriation, had to prohibit the LSC from carrying out this proposal.

- Excessive restrictions on lobbying activities: The board's zeal to limit legal services activities has led to LSC regulations that in some cases exceed statutory authority. Since 1981, Congress has placed some restrictions on legal services lawyers' latitude in lobbying for legislative changes on behalf of poor clients, bringing class action lawsuits on clients' behalf, and representing aliens. But the LSC board proposed such sweeping increases in these regulatory restrictions that Congress required that the proposed rules be reviewed by its committees. Congressional committees subsequently identified five regulations, including one curbing legislative advocacy, as inappropriate, and had to instruct the LSC to "take no further action to enforce, implement, or operate in accordance with these regulations...."

- Pursuing an ideological legal agenda: While the LSC board attempted to restrict the activities and cut the funding of existing national support centers, the board also spent $1.7 million to create three new national support centers that do not address the most pressing needs of poor clients. For example, the Constitutional Law Center received a grant of $337,000 to provide technical assistance on protection of the constitutional rights of the poor, but the center's idea of protecting poor families' constitutional rights was to publish a litigation manual on religious liberty in the schools (covering issues such as Bible readings and meetings of religious groups). A second proposed manual, vetoed by the national LSC only after the Constitutional Law Center began to receive adverse media attention, would have dealt with the constitutional rights of the poor to bear arms. National support centers are supposed to help local LSC programs on issues of most urgent concern to the poor. Yet by the end of the grant year the center had provided technical assistance in a mere fourteen cases, only two of which responded to inquiries from LSC grant recipients.

- Burdensome oversight of field programs: The LSC has stepped up monitoring of field programs in an intrusive fashion that does not serve the programs' goals. A monitoring visit to Texas Rural Legal Assistance (TRLA), for example, included a request for copies of 20,000 documents from program files. According to program staff, each of these files must be reviewed to ensure that its release does not violate attorney-client confidentiality -- a process TRLA estimated would take a year and a half and divert substantial resources away from clients. The American Bar Association's Standing Committee on Legal Aid and Indigent Dependents has indicated that unless safeguards are built into the monitoring process, "LSC's complaint process may be abused, becoming a costly and wasteful enterprise," and scarce resources "could be diverted into open-ended fishing expeditions."

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

For the sixth consecutive year, the President's budget calls for the elimination of all funds for the Legal Services Corporation. Each year a large bipartisan majority in Congress has rejected this proposal.

Among its justifications for this proposal, the Administration argues that states can provide legal services to low-income clients through the Social Services Block Grant. But states have used very little Social Services Block Grant money in the past to provide legal services or to compensate for reductions in LSC funding, and the Administration has not proposed any additional Social Services funding for legal services. Moreover, Gramm-Rudman, if implemented, will reduce overall Social Services funding. Gramm-Rudman also is poised to require a $13.1 million reduction in the FY 1986 LSC budget of $305.5 million -- a cut that will leave LSC this year with $28.6 million less than its FY 1981 funding level.

CDF RECOMMENDATIONS

The federal Legal Services program should be expanded so that free legal services are available to protect those too poor to afford their own counsel. The types of services that must be available must be the same as those available to other Americans: representation in court, in administrative agencies, and in the legislature when appropriate.

20. Civil Rights

Compared to white children, black children are twice as likely to die in the first year of life, to have mothers who received late or no prenatal care, to live in substandard housing, to have no parent employed, and to be unemployed themselves as teenagers. Hispanic children face many of the same disadvantages: they are more likely to live in families headed by parents who have not completed high school and about twice as likely to have fathers who work in low-wage jobs.

Much of this racial disparity is due to greater poverty rates among minorities -- increased poverty that stems, in large part, from past and present discrimination in jobs, education, and other key areas of American life.

Instead of helping to fight against poverty and the persistent discrimination that contributes to it, the Reagan Administration has taken the opposite tack. Its unprecedented policy, whether with regard to minority, female, or handicapped Americans, is to blame the victims of discrimination for their plight and oppose most efforts to strengthen civil rights.

The Administration's record of opposing civil rights has been so consistently extremist that important elements of it were widely repudiated during 1985. First, the Republican leadership in Congress and the Republican National Committee opposed the Administration's attempt to restrict the voting rights of minorities. Second, the Senate Judiciary Committee, the majority of whose members are Republicans, rejected the nomination to the position of associate attorney general of Assistant Attorney General for Civil Rights William Bradford Reynolds, the architect of the Administration's civil rights policies. Finally, large segments of the business community opposed the Administration's proposal to gut the rules used to combat employment discrimination by federal contractors.

SIDING AGAINST THE VICTIMS

In a range of policy decisions, public statements, and court cases, the Administration repeatedly has sided against victims of discrimination who are struggling to improve their lot through enhanced employment and educational opportunities, equal access to political power, and better health services.

Employment

Recent data show employment discrimination against minorities and women persists, with devastating results. For example, young black college graduates have about the same chance of being unemployed as white high school dropouts. In 1983, only 60.5 percent of Hispanic fathers worked full time, 15 percent below the national average. Blacks and women are over-represented in low-paying occupations. Even when educational level is taken into account, women and minorities fare far worse in the job market than white males. In 1982, white male college graduates earned a median income of approximately $29,000, black male college graduates earned $19,000, white female graduates earned $18,000, and black female graduates earned $16,000.

Despite the widespread evidence of continued job discrimination, the Administration's "civil rights" personnel have conducted a campaign charging that the "former" victims of employment discrimination -- minorities and women -- have been receiving unfair preferential treatment in employment. Behind this rhetorical smokescreen, they have attempted to undermine the federal role of protecting the civil rights of those who are hurt most by discrimination.

In an attempt to roll back civil rights enforcement in employment, Attorney General Edwin Meese III is pushing to eliminate long-standing requirements (dating back to 1965 and strengthened through regulations issued during the Nixon Administration) that employers with federal contracts take affirmative action to include qualified minorities and women in their work force. The requirements, issued under the authority of Executive Order 11246, have contributed significantly to the progress that minorities and women have made in the job market. The rate of increase of the minority work force among federal contractors has been double that of companies not subject to the executive order, according to studies by the Department of Labor and private researchers. Contrary to Administration claims, the requirements do not establish fixed hiring quotas. They mandate the establishment of goals and timetables for meeting those goals. In turn, the goals for hiring minorities or women merely reflect the availability of qualified members of those groups, and the executive order requires good faith attempts to meet these targets.

The National Association of Manufacturers, a national organization of 13,500 businesses, has joined forces with civil rights leaders in fighting Mr. Meese's efforts to weaken the executive order. The business community supports the executive order and the implementing regulations because the guidelines are fair and promote a diverse work force. More than 240 members of Congress have asked President Reagan to leave the executive order intact.

The Administration has launched a series of other major offenses against existing measures designed to improve employment opportunities for minorities and women:

- In an unprecedented move, the Justice Department sent letters early this year to more than fifty local governments requesting that they join the department in seeking modification of existing court-approved agreed orders that provide relief from employment discrimination against women and minorities. In all the cases, the parties had agreed to the entry of decrees establishing goals and timetables for the improvement of minority and/or female employment opportunities. The Justice Department claims that the Supreme Court's 1984 decision in Firefighters Local Union No. 1784 v. Stotts requires it to seek modification of the decrees.

In fact, the Stotts decision does not require cutting back on the rights of minorities and women. It was a very narrow ruling to which the Justice Department has given an overbroad reading -- a reading that has been rejected explicitly by each of the six federal appellate courts that has considered the issue. Only two of the jurisdictions (Buffalo, New York and Wichita Falls, Texas) to which the invitations to re-open were sent responded favorably, and the department's motion to re-open the case in Buffalo already has been denied by the federal district court.

- In Indianapolis, the District of Columbia, and other jurisdictions, the Justice Department recently has gone into court seeking to overturn minority and female hiring plans for police and fire departments. Employment as police officers, firefighters, and teachers has been a major avenue of entry into the middle class for minorities. William Hudnut, the Republican mayor of Indianapolis, vowed to join forces with the local National Association for the Advancement of Colored People (NAACP) to fight the Administration's effort, saying that his city's hiring program works well and is accepted.

- The chairman of the Equal Employment Opportunity Commission (EEOC), Clarence Thomas, has instructed EEOC regional directors not to seek goals and timetables for minority and female hiring in settlement of employment disputes. His instructions go counter to federal guidelines directing employees to seek such relief.

Education

Our nation's commitment to equal educational opportunity for every child has not yet been realized. Data show that minority children fall further behind in school the older they are and the more years of school they complete. Hispanic children who face special language barriers suffer drop-out rates of almost one in three -- more than twice the national rate of one in seven. Moreover, although substantial progress in black college entrance was made in the 1970s, black children are now less likely to go to college than they were five years ago, and black students who graduate from high school are significantly less likely to attend college than their white peers.

Despite the virtual elimination of de jure racial segregation (segregation mandated by law), de facto school segregation is still a major contributor to the inequality of educational opportunities available to black children. As of the 1976-1977 school year, more than 60 percent of black children were attending majority-black schools. Groups such as the NAACP estimate that the majority of black school children still attend inferior schools.

Despite these continuing inequalities, the Administration consistently has opposed efforts to improve educational opportunity for minority children.

- The Administration opposes many efforts to desegregate the nation's schools, frequently attempting to dismantle desegregation plans that include busing even where those plans are operating smoothly. For example, schools in Norfolk, Virginia have been desegregated successfully for thirteen years as the result of a court-ordered plan, which includes busing. In 1985, the Justice Department argued before the U.S. Court of Appeals for the Fourth Circuit that Norfolk should be allowed to abandon the plan. If the Administration succeeds in overturning the plan, ten schools would become more than 95 percent black and seventeen would become more than 70 percent black.
- About one-fourth of Hispanic children in primary and secondary schools spoke little or no English, according to 1978 data. For such children, instruction in English alone is of limited worth and has been recognized as denial of equal educational opportunity by the courts and Congress. In a 1984 reauthorization of the Bilingual Education Act, Congress reaffirmed the obligation of school districts to provide bilingual education to limited proficiency English students. The act establishes a Transitional Bilingual Education (TBE) program to ease these children into an all-English education. Despite the proven success of well-designed TBE programs, Secretary of Education William Bennett is proposing a radical shift in the way federal dollars are used to teach bilingual students, allowing schools to drop existing TBE programs.

Health

Minority Americans are less likely to have access to a doctor or be able to afford to see one on a regular basis than the rest of the population. Illnesses among minorities are less likely to be detected and treated promptly. Minority women are less likely to receive timely prenatal care. Although minorities have shared in the decline in infant mortality during the twentieth century, black rates of infant death were, in 1983, twice those of whites.

Those findings were part of a major report on the health status of minorities issued in 1985 by the U.S. Department of Health and Human Services (HHS). This study clearly documents the large health disparity between minority and non-minority Americans. But the Administration has either ignored or refused to address the poverty and discrimination that have led to reduced access to health care and the markedly weakened health status of minorities. Instead, in releasing the report, former HHS Secretary Margaret Heckler focused on a largely incorrect assertion that the health gap is a problem of knowledge and lifestyle.

In fact, the HHS report showed something very different -- that there are many risk factors associated with such health problems as poor birth outcome among minorities that are directly related to low socio-economic status. Those factors include: low income and inadequate insurance coverage that often reduce access to appropriate medical care (blacks and Hispanics have non-insurance rates that are respectively two and three times higher than those of whites); poor nutrition; inadequate housing and crowded living conditions; stressful work environment; disrupted families and lack of social supports; and problems of transportation and child care that impede use of services. All are more prevalent among poor and minority women.

The Administration, both in its rhetoric and its budget choices, which have reduced minorities' access to health care, has chosen to ignore findings of its own study.

Voting

The Justice Department sided against black voters in the case of Thornburg v. Gingles, which is likely to produce the first major Supreme Court interpretation of key 1982 amendments strengthening the Voting Rights Act. The Administration initially opposed the 1982 amendments forcefully. Only when their passage was inevitable did it support them reluctantly and at the last minute. Now the Administration is trying to subvert that same law in the courts.

In the Gingles case, black voters in North Carolina challenged gerrymandering of voting districts that diluted their voting strength. The trial court agreed with plaintiffs that there was a high degree of racially polarized voting in the state, a history of official discrimination against blacks in voting matters, and no legitimate policy justification for the shape of the challenged districts.

The Justice Department, however, had approved the challenged districts and argued before the Supreme Court in their favor on the basis of its narrow interpretation of the 1982 law. The Administration's position and interpretation of the law were opposed not only by the Republican sponsors of the 1982 voting rights provisions, but also by the Republican National Committee, all of whom filed amicus briefs in the Supreme Court.

HELPING THE PERPETUATORS OF SEGREGATION

Beyond merely opposing those seeking to enforce civil rights laws, the Administration has supported those charged with violating these laws in almost every major case that has come before the Supreme Court in recent years. The Justice Department argued in 1983 in the Bob Jones University v. United States case that segregated private schools should be allowed to get federal tax subsidies, and in 1984 in the Grove City v. Bell case that institutions receiving federal funds should not be required to abide by civil rights protections in all of their programs.

This pattern continued in 1985, and not only with the Gingles voting rights case. The Justice Department joined those seeking to overturn a city's effort to achieve desegregation of school faculties in Wygant v. Jackson and to deny the handicapped access to transportation in U.S. Department of Transportation v. Paralyzed Veterans of America.

Contrary to the widely accepted principle that discrimination on the basis of race, religion, national origin, sex, or handicapped condition should not be supported by federal dollars, the Administration has sought to limit the scope of civil rights protection in federally funded colleges, universities, and other institutions, thus allowing parts of the institutions not directly receiving federal dollars to continue to discriminate.

In Grove City in 1984, the Supreme Court, at the prompting of the Administration, held that the prohibition against sex discrimination by federally funded educational institutions applies only to the particular activity for which the federal funds are used. Under this rule, for example, if a college receives federal financial assistance in the form of student loans and grants, the prohibition against discrimination would apply only to the college's financial aid program. Other programs at the college would not be barred from practicing discrimination. The Administration quickly applied the ruling broadly to undercut laws prohibiting discrimination on the basis of race or handicap.

Subsequent efforts by hundreds of members of Congress to restore the law to its pre-Grove City meaning have thus far run afoul of the Administration's resistance. In the meantime, Administration officials are citing Grove City in their decisions to throw out many complaints of discrimination.

- A black student at a beauty school in Daly City, California, filed a complaint with the federal Office of Civil Rights (OCR), claiming that more clients were assigned to white students than to blacks, and that the black students were given clean-up duties not required of other students. Under pre-Grove City law an investigation would have occurred because the school receives federal funds in the form of student grants and loans that are used to pay students' tuition. OCR refused to investigate the complaint because it involved the "practical training" part of the course, which did not directly receive federal funds.

- Ms. C filed a complaint against the Menninger Foundation, alleging discrimination on the basis of a handicap. OCR closed the case because, although Menninger received federal funds, the workshop Ms. C wanted to attend was not directly financed by those funds.

- A Northeastern University student filed a Title IX sex discrimination complaint because the university had failed to take any action on her earlier complaint of sexual harassment. The university had received more than $12 million in federal funds for the school year, but OCR dismissed the complaint because the particular building in which the discrimination occurred had not been built or renovated with federal funds.

Disadvantaged children stand to lose from the Administration's proposal to overhaul the Chapter I program of federal assistance to local districts to aid educationally disadvantaged elementary and secondary school children. It represents another attempt to undermine existing civil rights protections and allow discrimination to continue, as well as to reduce remedial services for poor and minority children. The Administration's proposal would allow parents to use a $600 voucher to pay for tuition or compensatory educational services at a private school or public school outside the student's current school attendance area. It would exempt schools receiving the vouchers from federal civil rights laws that generally prohibit discrimination by these and other institutions receiving federal funds. The plan's only civil rights provision cannot be enforced by a family victimized by discrimination except in the unlikely event the U.S. attorney general intervenes.

Furthermore, the Administration typically chooses for civil rights enforcement positions, judgeships, and other key posts white males who have demonstrated insensitivity to, if not hostility to, civil rights concerns. While the most highly publicized example was the President's unsuccessful choice of William Bradford Reynolds to serve as associate attorney general, other examples include: Jefferson Sessions, who won notoriety as a federal prosecutor in Alabama for his unprecedented efforts to try black civil rights activists for alleged voting fraud before all-white juries, with virtually no success; Sidney Fitzwater, a Texas state court judge who, during the 1982 Texas elections, used the gratuitous intimidation tactic of posting signs in polling places of primarily black precincts that those who violate the election laws would go to jail; John Noonan, who has proposed a new court-packing scheme to increase the Supreme Court make-up from nine to fifteen justices so past progressive decisions he doesn't like will be overturned; and Jeffrey Zuckerman, who, as chief of staff for the EEOC chairman, recommended ignoring a series of federal appellate court anti-discrimination rulings with which he disagreed. Sessions, Fitzwater, and Noonan were nominated for federal judgeships, and Zuckerman for general counsel of the EEOC.

- Of 198 appointments to federal district courts and courts of appeals for the eleven circuits, as of July 1985 the President had appointed only three blacks, ten Hispanics, and eighteen women.

LAX ENFORCEMENT AND NON-ENFORCEMENT OF THE CIVIL RIGHTS LAWS

Under this Administration, the Justice Department and the Office of Civil Rights (OCR) in the Department of Education have failed to take action against educational institutions found to have discriminated.

When violations of the civil rights laws are found and the violators are unwilling to correct the problems voluntarily, OCR has two available methods of enforcement: administrative proceedings or referral to Justice. OCR has failed to use either method in most cases. Of the 2,000 violations of law found from 1981 to July 1985, OCR commenced administrative enforcement proceedings in only twenty-seven cases and referred just twenty-four additional cases to Justice for action.

Of the twenty-four cases in which OCR found discrimination and which were referred to Justice for action, Justice has instituted litigation in only three. In sixteen cases it has taken no action, and in five it merely has sent the case back to OCR.

This inaction is depriving many minority and handicapped children across the nation of educational opportunities.

- Three times since 1977 OCR issued findings that the Dillon County School District #8 in South Carolina was maintaining racially segregated classes as a consequence of improper "ability grouping." In 1983, sixty-four of 281 classes had high concentrations of blacks or whites. The school district historically had operated under de jure segregation. OCR referred the case to Justice. Eleven months after receiving the case, Assistant Attorney General for Civil Rights Reynolds wrote back, stating "We have concluded that no further action by this Department in this matter is warranted at this time." No further explanation was given, and no further action has been taken on the case by either Justice or OCR.

- OCR found the Illinois State Board of Education to be in violation of the prohibition barring discrimination against the handicapped. The state board did not ensure that children who resided in four state-operated residential facilities received an education in the public schools in the least restrictive setting appropriate. Again OCR forwarded the case to Justice. Justice took no action on the case and instead referred it to another agency.

- OCR found the state of Ohio to be in violation of the civil rights laws for its failure to de-establish de jure segregation in higher education. Despite the fact that it received this case from OCR in February 1983, Justice still has taken no action.

- The vast majority of civil rights referrals by OCR have gone nowhere. These include such cases as the denial of interpreter services to hearing impaired students at the University of Alabama and the denial of extracurricular activities to handicapped children in Coloma, Michigan.

In the enforcement of the civil rights of minorities and women in such other areas as voting, housing, and employment, the Administration has been similarly lax:

- Under the Voting Rights Act, the Justice Department has statutory responsibility for reviewing changes in voting policies or district boundaries made by jurisdictions in certain areas of the country. Jurisdictions are required to obtain prior clearance of such changes. From 1965, when the Voting Rights Act was adopted, through the end of 1984, 85,120 election law changes were submitted to the Justice Department for review, and the attorney general objected to 1,074, approximately one in 80, often because they diluted the voting strength of minority groups. Last year, of 16,489 submitted, the department objected to only seventy-one, or fewer than one in 232. Furthermore, the Justice Department proposed a new set of rules governing the pre-clearance procedures that would make it even harder for members of minorities whose voting rights were adversely affected to obtain disapproval of voting law changes.

- During President Reagan's first term, the Justice Department filed only thirty-two housing discrimination cases, less than half the number filed under President Carter. Furthermore, the Administration has not filed a single suit against a public housing authority, although there is extensive evidence that discrimination against poor minorities is practiced by local authorities. In Tyler, Texas, a federal judge held that the federal government "knowingly supported" discriminatory public housing practices by local authorities, including separate waiting lists for blacks and whites and generally better living quarters for whites. The Department of Housing and Urban Development (HUD) claims that it has been unable to uncover discriminatory practices because of a lack of data on racial occupancy patterns in public housing projects. Another branch of the Administration, however, the Office of Management and Budget, repeatedly rejects HUD proposals to collect these data.

- While the record of the Equal Employment Opportunity Commission (EEOC) in pursuing employment discrimination claims is somewhat better, it still falls far short of that of the Carter EEOC. For example, statistics compiled by the Women Employed Institute show that, in FY 1985, the EEOC filed in court only 77 percent of the number of cases filed by the Carter EEOC in its last year, 1981, or eighty-two fewer cases.

PRESIDENT REAGAN'S PROPOSALS FOR FY 1987

The special civil rights analysis included in the President's proposed budget for fiscal year 1987 claims great progress made in civil rights enforcement -- and proposes to cut the budgets of the primary civil rights enforcement agencies, including the offices for civil rights in the Department of Education and the Department of Health and Human Services.

In addition, the Administration proposes cutting or eliminating key programs aimed at eradicating discrimination against minorities, women, and the handicapped. Those targeted include the Women's Educational Equity Act (proposed for elimination), Title IV of the Civil Rights Act for desegregation assistance, the Emergency Immigrant Education Assistance Act, and particular programs under the Education of the Handicapped Act. The Administration also again proposes its flawed Chapter I voucher program.

The sole new initiative proposed that might benefit civil rights enforcement is increased financial assistance to state and local fair housing enforcement agencies, clearly a response to the growing public recognition that the federal government's own fair housing enforcement procedures are terribly inadequate. But the President's proposal would devolve this civil rights responsibility to local entities, instead of amending the Fair Housing Act to improve federal enforcement as recommended by civil rights advocates.

Appendix A

Data on Children, Poverty, and Federal Programs

SELECTED CHILDREN'S PROGRAMS

	FY 1985 Actual (millions)	FY 1986 Actual (millions)	FY 1986 After Gramm-Rudman (millions)	FY 1987 Proposed (millions)	Change FY 1986-FY 1987 (millions)	Change FY 1986-FY 1987 (percent)
Child Care & Child Welfare						
Head Start	$1,075.0	$1,087.1	$1,040.0	$1,075.0	$- 12.1	- 1.1
Social Services Block Grant	2,725.0	2,700.0	2,584.0	2,700.0	0.0	0.0
After School & Dependent	0.0	5.0	4.8	0.0	- 5.0	-100.0
Community Services Block Grant	368.1	366.0	350.0	0.0	-366.0	-100.0
Indian Social Services	29.0	29.0	27.8	27.3	- 1.7	- 5.9
Runaway Youth	23.3	23.3	22.3	23.3	0.0	0.0
Juvenile Justice	70.3	70.3	67.3	0.0	- 70.3	-100.0
Child/Family Abuse	26.0	39.5	37.8	30.5	- 9.0	- 22.8
Child Welfare Research	11.8	11.8	11.3	8.4	- 3.4	- 28.8
Child Welfare Services	200.0	207.0	198.3	200.0	- 7.0	- 3.4
Child Welfare Training	3.8	3.8	3.7	3.8	0.0	0.0
....Subtotal	$4,532.3	$4,542.8	$4,347.3	$4,068.3	$-474.5	- 10.4

SELECTED CHILDREN'S PROGRAMS
(continued)

	FY 1985 Actual (millions)	FY 1986 Actual (millions)	FY 1986 After Gramm-Rudman (millions)	FY 1987 Proposed (millions)	Change FY 1986-FY 1987 (millions)	Change FY 1986-FY 1987 (percent)
Child Health						
Maternal & Child Health	$ 478.0	$ 478.0	$ 457.4	$ 478.0	$ 0.0	0.0
Preventive Health Block Grant	89.5	91.5	87.5	89.5	- 2.0	- 2.2
Mental Health Block Grant	490.0	490.0	468.9	490.0	0.0	0.0
Mental Health Community Support	10.5	12.5	12.0	0.0	-12.5	-100.0
Developmental Disabilities	75.7	80.4	76.9	73.0	- 7.4	- 9.2
Immunization	54.2	59.6	57.0	56.0	- 3.6	- 6.0
Venereal Disease Prevention	53.0	56.3	53.9	55.5	- 0.8	- 1.4
Primary Care Block Grant	573.1	591.3	580.6	565.1	-26.2	- 4.4
Community Health Centers	383.0	400.0	396.0	----	----	----
Black Lung Clinics	3.3	3.4	3.4	----	----	----
Migrant Health	44.3	45.4	44.9	----	----	----
Family Planning	142.5	142.5	136.4	----	----	----
....Subtotal	$1,824.0	$1,859.6	$1,794.2	$1,807.1	$-52.5	- 2.7

SELECTED CHILDREN'S PROGRAMS
(continued)

	FY 1985 Actual (millions)	FY 1986 Actual (millions)	FY 1986 After Gramm-Rudman (millions)	FY 1987 Proposed (millions)	Change FY 1986-FY 1987 (millions)	Change FY 1986-FY 1987 (percent)
Education						
Compensatory Education	$ 3,695.7	$ 3,695.7	$ 3,536.8	$ 3,688.2	$- 7.5	- 0.2
Handicapped Education	1,321.3	1,411.0	1,350.3	1,303.1	- 107.9	- 7.6
Bilingual Education	143.0	143.0	136.8	143.0	0.0	0.0
Chapter II	531.9	528.9	506.2	528.9	0.0	0.0
Vocational Education	831.3	838.8	802.7	408.1	- 430.7	- 51.3
Indian Education	67.4	67.1	64.2	67.1	0.0	0.0
Follow Through	10.0	7.5	7.2	0.0	- 7.5	-100.0
Women's Educational Equity	6.0	6.0	5.7	0.0	- 6.0	-100.0
Civil Rights IV-A Centers	24.0	24.0	23.0	0.0	- 24.0	-100.0
Student Financial Assistance	4,910.5	4,887.0	4,675.4	3,812.6	-1074.4	- 22.0
Guaranteed Student Loans	3,798.3	3,300.0	3,260.0	2,329.6	- 970.4	- 29.4
Higher/Continuing Education	474.1	450.2	430.9	238.6	- 211.6	- 47.0
....Subtotal	$15,813.5	$15,359.2	$14,799.2	$12,519.2	$-2840.0	- 18.5

SELECTED CHILDREN'S PROGRAMS
(continued)

	FY 1985 Actual (millions)	FY 1986 Actual (millions)	FY 1986 After Gramm-Rudman (millions)	FY 1987 Proposed (millions)	Change FY 1986-FY 1987 (millions)	Change FY 1986-FY 1987 (percent)
Miscellaneous						
Supplemental Food (WIC)	$1,500.0	$1,560.6	$1,559.7	$1,617.0	56.4	3.6
Job Corps	617.0	640.0	612.5	351.7	$- 288.3	- 45.0
Summer Youth Employment	824.5	664.5	636.0	428.0	- 236.5	- 35.6
Low Income Energy Assistance	2,100.0	2,100.0	2,009.7	2,100.0	0.0	0.0
Legal Services	313.0	305.5	292.4	0.0	- 305.5	-100.0
Rehabilitation Services	1,234.0	1,362.0	1,309.8	1,225.4	- 136.6	- 10.0
Work Incentives	266.8	220.0	210.5	0.0	- 220.0	-100.0
Appalachian Area Development	6.5	0.7	0.7	0.0	- 0.7	-100.0
....Subtotal	$6,861.8	$6,853.3	$6,631.3	$5,722.1	$-1,131.2	- 16.5
Total	$29,031.6	$28,614.9	$27,572.0	$24,116.7	$-4,498.2	- 15.7

MAJOR ENTITLEMENT PROGRAMS OF CRITICAL IMPORTANCE TO CHILDREN AND FAMILIES
(dollars in millions)

	FY 1987 Current Policy (millions)	FY 1987 Proposed Level (millions)	Change Proposed in Level (millions)	Percent Change in Level (millions)
Food Stamps	$12,826.0	$12,512.7	- 313.3	- 2.4
Child Nutrition [a]	4,600.7	3,830.3	- 770.4	-16.7
AFDC & Child Support Enforcement	9,211.0	8,933.0	- 278.0	- 3.0
Foster Care & Adoption Assistance	643.0	604.0	- 39.0	- 6.1
Medicaid	25,880.0	24,708.0	-1,172.0	- 4.5
Total	$53,160.7	$50,588.0	$-2,572.7	- 4.8

[a] Includes School Lunch, School Breakfast, Child Care Food, Summer Food, Special Milk, Nutrition Education, administrative costs, and smaller abolished programs. Commodity costs are included in the total.

REAL OUTLAYS PER CAPITA (1986 DOLLARS) FOR NATIONAL DEFENSE AND FOR PROGRAMS FOR LOW-INCOME FAMILIES AND CHILDREN

Fiscal Year	National Defense	Low-Income Programs
1980	$ 785.03	$507.85
1981	828.70	516.99
1982	910.77	456.63
1983	991.72	466.14
1984	1,029.60	465.66
1985	1,092.68	470.12
1986	1,100.50	464.87
1987	1,112.07	431.07
1988	1,125.67	421.96
1989	1,163.81	411.15
1990	1,200.85	401.10
1991	1,238.69	400.15
Change		
FY 1980-	+$ 453.66	-$107.70
FY 1981	+ 57.8%	- 21.2%

Figures in 1986 dollars.

National Defense outlays are totals for function 050. Programs for low-income families and children include all outlays for: education, training, and social service (function 500); health care services (subfunction 551) less Medicare; housing assistance (subfunction 609); food and nutrition assistance (subfunction 605); and other income security (subfunction 609). This grouping includes all programs discussed in this book, plus many small categorical programs (e.g., library grants) and a few larger adult employment programs (e.g., employment services) not covered. The annual average level of the Consumer Price Index (CPI-W) for 1984 through 1991 is as shown in the FY 1987 Budget. U.S. total population estimates are from the U.S. Bureau of the Census.

$14.1 billion in FY 1985 and $1.8 billion in FY 1986 of low income housing loans are removed from function 604. These loans are treated as direct outlays in the FY 1986 budget documents for technical reasons related to the tax changes passed the preceding year. They do not include any new funds for housing nor any new guaranteed loans, and so have been removed from the table above.

Percentage of Children in Poverty, by Family Structure and Race, 1959-1984

Family Type	Hispanic	Black	White	Total
Female-headed Families				
1959	n/a	81.6	64.6	72.2
1969	n/a	68.2	45.2	54.4
1979	62.2	63.1	38.6	48.6
1980	65.0	64.8	41.6	50.8
1981	67.3	67.7	42.8	52.3
1982	71.8	70.7	46.5	56.0
1983	70.6	68.3	47.2	55.5
1984	71.0	66.2	45.9	54.0
% change 1959-1979	---	-22.7	-40.2	-32.7
% change 1979-1984	+14.1	+4.9	+18.9	+11.1
All Other Families				
1950	n/a	60.6	17.4	22.4
1969	n/a	25.0	6.7	8.6
1979	19.2	18.7	7.3	8.5
1980	22.9	20.3	9.0	10.4
1981	24.5	23.4	10.0	11.6
1982	27.8	24.1	11.6	13.0
1983	27.2	23.7	12.0	13.5
1984	27.5	24.3	11.0	12.5
% change 1959-1979	---	-69.1	-58.0	62.1
% change 1979-1984	+43.2	+29.9	+50.7	+47.1
All Families Combined				
1959	n/a	65.5	20.6	26.9
1969	n/a	39.6	9.7	13.8
1979	27.7	40.8	11.4	16.0
1980	33.0	42.1	13.4	17.9
1981	35.4	44.9	14.7	19.5
1982	38.9	47.3	16.5	21.3
1983	37.7	46.2	17.0	21.8
1984	38.7	46.2	16.1	21.0
% change, 1959-1979	---	-37.7	-44.7	-40.5
% change, 1979-1984	+39.7	+13.2	+41.2	+31.3

Source: National Center for Health Statistics.

Poverty Rates by Age Group, 1969-1984

Year	All	18 and up	6-17	0-5	0-17
1969	12.2%	11.2%	13.5%	15.3%	14.1%
1970	12.6	11.3	14.3	16.6	15.0
1971	12.5	11.2	14.3	16.9	15.1
1972	11.9	10.4	14.4	16.1	14.9
1973	11.1	9.6	13.6	15.7	14.2
1974	11.6	9.8	14.9	16.9	15.5
1975	12.3	10.3	16.2	18.4	16.8
1976	11.8	10.0	15.1	17.7	15.8
1977	11.6	9.7	15.1	18.1	16.0
1978	11.4	9.6	15.0	17.2	15.7
1979	11.6	9.9	15.1	17.9	16.0
1980	13.0	11.1	16.8	20.3	17.9
1981	14.0	11.9	18.4	22.0	19.5
1982	15.0	12.7	20.3	23.3	21.3
1983	15.2	12.9	20.2	24.6	21.7
1984	14.4	12.1	19.7	23.4	21.0

Median Incomes Deficit Among Poor Families In 1984 Dollars, and as a Percentage of the 1984 Poverty Level for a Family of four

Year	Income Deficit	Percent of Poverty Level
1959	3388	31.9
1960	3333	31.4
1965	3209	30.2
1967	2867	27.0
1968	2841	27.7
1969	2765	26.1
1970	2951	27.8
1971	2855	26.9
1972	2963	27.9
1973	2877	27.1
1974	3158	29.8
1975	2872	27.1
1976	2862	27.0
1977	3018	28.4
1978	3048	28.7
1979	3109	29.3
1980	3226	30.4
1981	3419	32.2
1982	3614	34.1
1983	3697	34.7
1984	3666	34.6

Percentage of Families with Children Under Age 18 with 1983 Incomes Below the Poverty Level, by Type of Family and Age and Race of Family Head (March 1984)

Family Type and Age of Head	Black	White	Total
Female-Headed Families	60.7	39.8	47.2
Under 25	84.8	73.8	77.9
25-45	58.8	38.7	45.5
Two-Parent Families	17.9	9.2	10.1
Under 25	32.1	23.0	24.3
25-45	15.4	8.6	9.3

Number of Children Living Below Half of Poverty by Type of Family, and Age and Race of Child (income for calendar year 1983, counted March 1984)

Year, Family Type, and Age of Children	Black Children	Percent of Poor Black Children	White Children	Percent of Poor White Children	Total Children	Percent of All Poor Children
1983						
Female-headed Families						
Under 18	1,794,000	56.3	1,592,000	47.4	3,451,000	51.4
Under 6	760,000	62.2	627,000	51.7	1,416,000	56.7
Other Families						
Under 18	362,000	33.7	1,665,000	32.6	2,176,000	32.7
Under 6	120,000	32.3	672,000	31.7	842,000	31.5
All Families						
Under 18	2,155,000	50.6	3,257,000	38.5	5,618,000	42.2
Under 6	880,000	55.2	1,299,000	39.0	2,258,000	43.7
1979						
Female-headed Families						
Under 18	1,173,000	41.1	898,000	35.1	2,111,000	38.3
Under 6	491,000	51.0	344,000	40.5	849,000	46.0
Other Families						
Under 18	248,000	29.4	954,000	29.8	1,287,000	30.5
Under 6	70,000	26.2	334,000	28.5	436,000	29.0
All Families						
Under 18	1,421,000	38.5	1,852,000	32.2	3,398,000	34.9
Under 6	561,000	45.6	678,000	33.6	1,285,000	38.4

National Fact Sheet on Maternal and Child Health Indicators, 1983

	White	All Nonwhite	Black	Total
Births				
To all women	2,904,250	734,683	586,027	3,638,933
To women age 19 and under	342,183	156,855	142,105	499,038
To women under age 15	4,031	5,721	5,439	9,752
Teen Births				
(As percentage of all births)				
To women age 19 and under	11.8%	21.4%	24.2%	13.7%
To women under age 15	0.1	0.8	0.9	0.3
Low Birthweight Births				
Percentage of births that are low birthweight:				
To all women	5.7%	11.4%	12.6%	6.8%
To women age 19 and under	7.8	13.4	14.0	9.5
Percentage of all low birthweight births:				
To women age 19 and under	16.1%	25.2%	26.9%	19.2%
Prenatal Care				
Percentage of babies born to women who began prenatal care in the first trimester:				
To all women	79.4%	63.4%	61.5%	76.2%
To women age 19 and under	56.9	46.8	46.6	53.8
Percentage of babies born to women who began prenatal care in the third trimester or not at all:				
To all women	4.6%	9.4%	9.7%	5.6%
To women age 19 and under	10.6	14.1	14.0	11.7
Infant Mortality				
Number of infant deaths	28,301	12,326	11,242	40,627
Infant deaths per 1,000 live births	9.7	16.8	19.2	11.2
Number of neonatal deaths	18,603	7,904	7,277	26,507
Neonatal deaths per 1,000 live births	6.4	10.8	12.4	7.3
Number of postneonatal deaths	9,698	4,422	3,965	14,120
Postneonatal deaths per 1,000 live births	3.3	6.0	6.8	3.9

Source: National Center for Health Statistics. Calculations by Children's Defense Fund.

Number of Children Receiving Medicaid per 100 Children in Poverty 1974-1984 (Fiscal Years)

Year	Number of Children on Medicaid[a]	Children of Children in Poverty[b]	Recipients per 100 Poor Children[c]
1974	9,478,000	9,967,000	95.1
1975	9,602,000	10,882,000	88.2
1976	9,939,000	10,081,000	98.6
1977	9,715,000	10,028,000	96.9
1978	9,500,000	9,722,000	97.7
1979	9,022,000	9,993,000	90.3
1980	9,285,000	11,114,000	83.5
1981	9,587,000	12,068,000	79.4
1982	9,656,000	13,139,000	73.5
1983	9,418,000	13,449,000	70.0
1984	9,680,696	12,929,000	74.9

[a] This represents the number of dependent children under age 21 for whom one or more Medicaid payments were made at some point during the fiscal year. From 1974 through 1976 the counts are for a fiscal year beginning in July and ending in the following June of the year labeled. From 1977 to the present, the year begins in October and ends in the following September of the year labeled.

[b] This represents the number of dependent children under the age of 18 living in families with a calendar year income below the poverty level.

[c] This is the first column divided by the second column, times 100.

States Ranked by Infant Mortality Rates, All Races, 1983
(deaths per 1,000 live births)

Rank	State	Rate
1	New Hampshire	8.6
2	Vermont	8.7
3	Maine	8.7
4	Utah	8.8
5	North Dakota	8.9
6	Iowa	8.9
7	Montana	9.0
8	Massachusetts	9.1
9	Hawaii	9.4
10	Arizona	9.5
11	Washington	9.5
12	Oregon	9.6
13	Wisconsin	9.6
14	California	9.7
15	Wyoming	9.8
16	Minnesota	9.8
17	Nebraska	9.9
18	Delaware	10.0
19	New Mexico	10.0
20	Colorado	10.0
21	Connecticut	10.1
22	Kansas	10.3
23	Nevada	10.7
24	Arkansas	10.7
25	Missouri	10.7
26	South Dakota	10.8
27	Idaho	10.8
28	West Virginia	10.9
29	Oklahoma	10.9
30	Texas	11.1
31	Ohio	11.2
32	Pennsylvania	11.3
33	Indiana	11.4
34	New Jersey	11.5
35	Kentucky	11.6
36	New York	11.6
37	Rhode Island	11.7
38	Maryland	11.8
39	Michigan	11.8
40	Virginia	11.9
41	Florida	12.2
42	Alaska	12.4
43	Illinois	12.4
44	Tennessee	12.8
45	Alabama	13.1
46	North Carolina	13.2
47	Georgia	13.4
48	Louisiana	13.5
49	South Carolina	15.0
50	Mississippi	15.1
51	District of Columbia	19.3
	United States	11.2

States Ranked by Infant Mortality Rates, Nonwhite, 1983

Rank	State	Rate
1	Hawaii	9.1
2	Colorado	10.7
3	California	11.0
4	New Mexico	11.2
5	Oklahoma	11.3
6	Washington	11.6
7	Nevada	12.0
8	Arizona	12.3
9	Kansas	13.0
10	Minnesota	13.2
11	Massachusetts	14.1
12	Texas	14.7
13	Arkansas	15.3
14	Wisconsin	15.4
15	Alaska	16.5
16	Kentucky	16.5
17	New York	16.7
18	Indiana	17.0
19	Maryland	17.5
20	Delaware	17.6
21	Connecticut	17.6
22	Missouri	18.2
23	Alabama	18.3
24	Virginia	18.3
25	New Jersey	18.3
26	Florida	18.5
27	Ohio	18.7
28	North Carolina	19.0
29	Louisiana	19.3
30	Georgia	19.5
31	Tennessee	19.8
32	Mississippi	19.8
33	Pennsylvania	20.0
34	South Carolina	20.5
35	District of Columbia	21.0
36	Illinois	21.4
37	Michigan	21.7
38	South Dakota	23.8
	United States	16.8

The following states have small numbers of nonwhite infant deaths and are not ranked: Idaho, Iowa, Maine, Montana, Nebraska, New Hampshire, North Dakota, Oregon, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

Source: National Center for Health Statistics.
Calculations by the Children's Defense Fund.

Four-year Average Infant Mortality Rates for America's 22 Largest Cities, by Race, 1980-1983

White*			Black*			Total, All Races		
Rank	City	Rate	Rank	City	Rate	Rank	City	Rate
1	San Diego	9.5	1	Houston	16.8	1	San Jose	9.9
2	Boston	9.8	2	Milwaukee	17.8	2	San Diego	10.5
3	San Jose	10.1	3	Dallas	18.3	3	San Francisco	11.1
4	Memphis	10.2	4	New York City	18.3	4	Los Angeles	12.0
5	Los Angeles	10.2	5	Columbus	18.6	5	Phoenix	12.1
6	Dallas	10.3	6	Boston	19.3	6	San Antonio	12.2
7	Milwaukee	10.4	7	San Diego	20.3	7	Milwaukee	12.8
8	Detroit	11.1	8	Los Angeles	20.3	8	Houston	13.0
9	Jacksonville	11.4	9	Jacksonville	20.4	9	Dallas	13.1
10	Phoenix	11.5	10	Baltimore	20.5	10	Boston	13.1
11	Columbus	11.5	11	New Orleans	21.0	11	Columbus	13.1
12	San Francisco	11.8	12	Indianapolis	21.3	12	Jacksonville	14.4
13	San Antonio	11.8	13	Philadelphia	21.8	13	New York City	14.4
14	Houston	11.8	14	Memphis	22.1	14	Indianapolis	14.5
15	Indianapolis	12.2	15	Washington, D.C.	24.7	15	Memphis	17.4
16	New York City	12.6	16	Detroit	25.4	16	Baltimore	17.8
17	Baltimore	12.8	17	Cleveland	25.5	17	New Orleans	17.8
18	Chicago	13.0	18	Chicago	25.7	18	Philadelphia	17.9
19	Cleveland	14.3				19	Chicago	19.0
20	Philadelphia	14.4				20	Cleveland	19.9
						21	Detroit	21.2
						22	Washington, D.C.	22.6

Many of America's largest cities are experiencing serious infant mortality problems among both black and white infants. The five cities with the highest overall infant mortality rates, Philadelphia, Chicago, Cleveland, Detroit, and Washington, D.C., also record the highest black infant mortality. In those cities where we could calculate an infant mortality rate for whites, all except Detroit have among the highest rates among white infants as well. (There are too few white infant deaths in Washington, D.C. to calculate an infant mortality rate for whites.)

*The following cities were not ranked because there were too few infant deaths to calculate a reliable rate: for whites, New Orleans and Washington, D.C.; for blacks, Phoenix, San Antonio, San Francisco, and San Jose.

Source: National Center for Health Statistics. Calculations by Children's Defense Fund.

States Ranked by Postneonatal Mortality Rates, All Races, 1983

Rank	State	Rate
1	Connecticut	2.3
2	Rhode Island	2.6
3	Massachusetts	2.6
4	North Dakota	2.8
5	New Hampshire	2.8
6	Maine	2.8
7	Hawaii	3.1
8	Iowa	3.3
9	Wisconsin	3.3
10	Nebraska	3.4
11	Utah	3.4
12	Pennsylvania	3.4
13	Missouri	3.5
14	Ohio	3.5
15	California	3.5
16	Maryland	3.6
17	Minnesota	3.6
18	Virginia	3.6
19	Arizona	3.7
20	Kentucky	3.7
21	New Jersey	3.7
22	New York	3.7
23	Michigan	3.8
24	West Virginia	3.9
25	Indiana	3.9
26	Oklahoma	4.0
27	Colorado	4.1
28	Washington	4.1
29	Oregon	4.2
30	Kansas	4.2
31	Illinois	4.2
32	Texas	4.2
33	Tennessee	4.4
34	Georgia	4.4
35	New Mexico	4.5
36	Arkansas	4.5
37	Louisiana	4.5
38	North Carolina	4.5
39	Florida	4.5
40	Montana	4.7
41	Wyoming	4.8
42	Alabama	4.8
43	South Dakota	4.9
44	Nevada	4.9
45	Idaho	5.0
46	District of Columbia	5.1
47	South Carolina	5.2
48	Alaska	5.8
49	Mississippi	5.8
	United States	3.9

The following states have small numbers of postneonatal deaths and are not ranked: Delaware and Vermont.

States Ranked by Postneonatal Mortality Rates Nonwhite, 1983

Rank	State	Rate
1	Hawaii	3.0
2	California	3.7
3	Massachusetts	4.1
4	Oklahoma	4.4
5	Virginia	4.7
6	Maryland	5.1
7	Texas	5.3
8	Arizona	5.6
9	Missouri	5.6
10	Washington	6.0
11	District of Columbia	6.2
12	Ohio	6.2
13	New York	6.3
14	Pennsylvania	6.4
15	Georgia	6.5
16	Kentucky	6.6
17	New Jersey	6.6
18	Michigan	6.6
19	North Carolina	6.6
20	Indiana	6.7
21	South Carolina	6.7
22	Louisiana	6.7
23	Wisconsin	6.9
24	Tennessee	6.9
25	Arkansas	7.4
26	Florida	7.4
27	Alabama	7.5
28	Mississippi	8.2
29	Illinois	8.5
30	South Dakota	15.2
	United States	6.0

The following states have small numbers of nonwhite postneonatal deaths and are not ranked: Alaska, Colorado, Connecticut, Delaware, Idaho, Iowa, Kansas, Maine, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oregon, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

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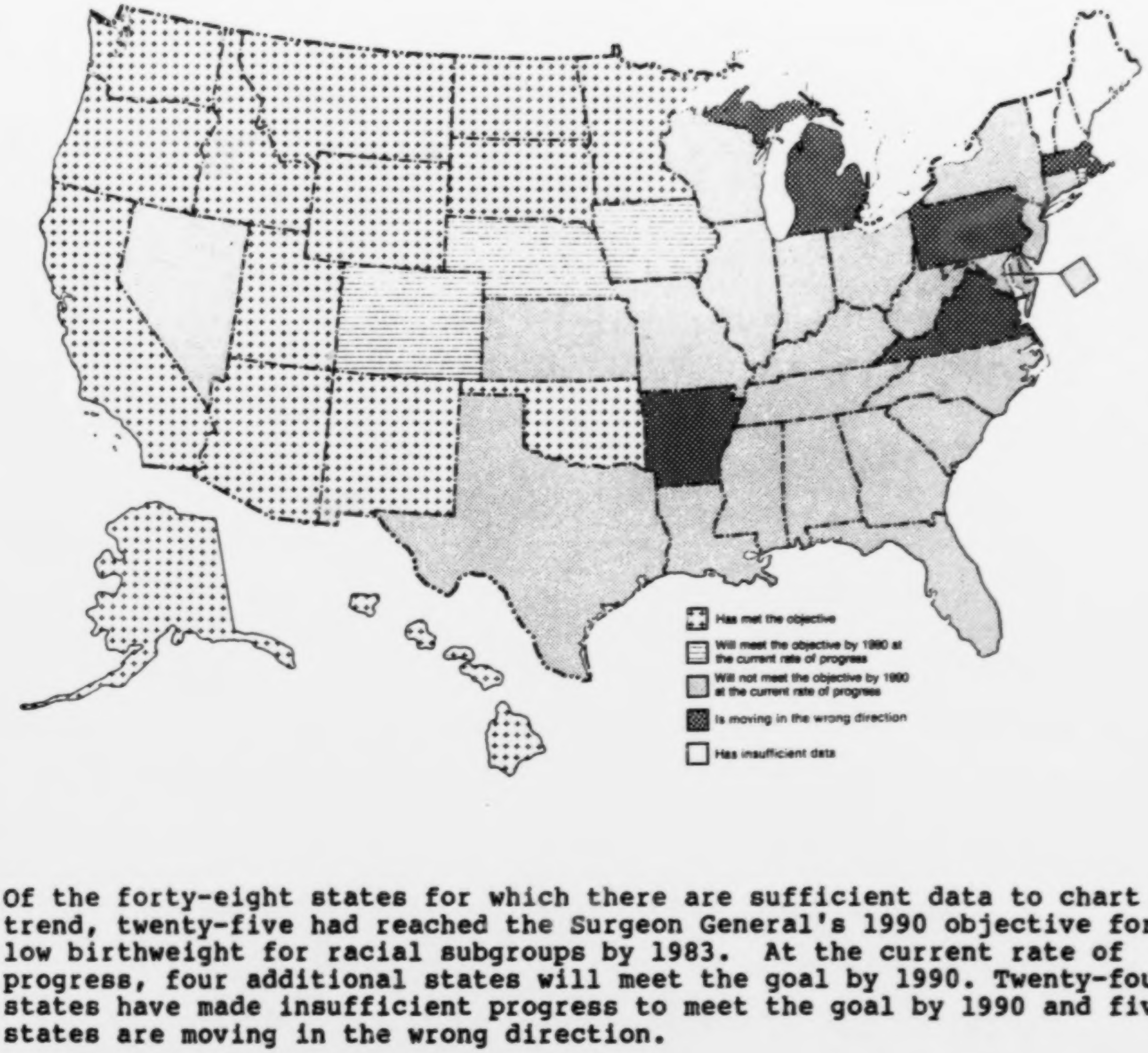
Source: National Center for Health Statistics.
Calculations by the Children's Defense Fund.

Postneonatal Mortality Rates, by Race, U.S., Selected Years, 1950-1983

Year	All Races	White	Nonwhite Total	Nonwhite Black	Black-White Ratio
1950	8.7	7.4	17.0	16.1	2.18
1955	7.3	5.9	15.6	15.3	2.59
1960	7.3	5.7	16.3	16.5	2.89
1961	6.9	5.5	14.5	14.7	2.67
1962	7.0	5.4	15.3	15.5	2.87
1963	7.0	5.5	15.4	15.8	2.87
1964	6.9	5.4	14.6	14.8	2.74
1965	7.0	5.4	14.9	15.2	2.81
1966	6.5	5.0	14.0	14.3	2.86
1967	5.9	4.7	12.1	12.5	2.66
1968	5.7	4.5	11.5	11.9	2.64
1969	5.3	4.2	10.4	10.8	2.57
1970	4.9	4.0	9.5	9.9	2.48
1971	4.9	4.1	8.9	9.3	2.27
1972	4.9	4.0	8.5	8.9	2.23
1973	4.7	4.0	8.3	8.8	2.20
1974	4.4	3.7	7.7	8.1	2.19
1975	4.5	3.8	7.4	7.9	2.08
1976	4.3	3.6	7.2	7.6	2.11
1977	4.2	3.6	7.0	7.6	2.11
1978	4.3	3.6	7.1	7.6	2.11
1979	4.2	3.5	6.9	7.5	2.14
1980	4.1	3.5	6.6	7.3	2.09
1981	3.9	3.4	6.0	6.6	1.94
1982	3.8	3.3	6.0	6.5	1.97
1983	3.9	3.3	6.0	6.8	2.06

Source: National Center for Health Statistics.

Progress Toward the Low Birthweight Goal, Nonwhites, 1983


Has met the objective
Will meet the objective by 1990 at the current rate of progress
Will not meet the objective by 1990 at the current rate of progress
Is moving in the wrong direction
Has insufficient data

Of the forty-eight states for which there are sufficient data to chart a trend, twenty-five had reached the Surgeon General's 1990 objective for low birthweight for racial subgroups by 1983. At the current rate of progress, four additional states will meet the goal by 1990. Twenty-four states have made insufficient progress to meet the goal by 1990 and five states are moving in the wrong direction.

Percentage of Babies Born to Women Receiving First-Trimester Care, by Race, U.S., 1969-1983

			Nonwhite	
Year	All Races	White	Black	Total
1969	68.0	72.4	42.7	44.5
1970	67.9	72.4	44.3	46.0
1971	68.6	73.0	46.6	48.1
1972	69.4	73.6	49.0	50.6
1973	70.8	74.9	51.4	52.9
1974	72.1	75.9	53.9	55.3
1975	72.3	75.9	55.8	57.0
1976	73.5	76.8	57.7	58.8
1977	74.1	77.3	59.0	60.1
1978	74.9	78.2	60.2	61.4
1979	75.9	79.1	61.6	62.9
1980	76.3	79.3	62.7	63.8
1981	76.3	79.4	62.4	63.8
1982	76.1	79.3	61.5	63.2
1983	76.2	79.4	61.5	63.4

Percentage of Babies Born to Women Receiving Late* or No Prenatal Care, by Race, U.S., 1969-1983

			Nonwhite	
Year	All Races	White	Black	Total
1969	8.1	6.3	18.2	17.7
1970	7.9	6.2	16.6	16.2
1971	7.2	5.8	14.6	14.1
1972	7.0	5.5	13.2	13.1
1973	6.7	5.4	12.4	12.3
1974	6.2	5.0	11.4	11.2
1975	6.0	5.0	10.5	10.4
1976	5.7	4.8	9.9	9.8
1977	5.6	4.7	9.6	9.5
1978	5.4	4.5	9.3	9.1
1979	5.1	4.3	8.9	8.8
1980	5.1	4.3	8.8	8.8
1981	5.2	4.3	9.1	8.9
1982	5.5	4.5	9.6	9.3
1983	5.6	4.6	9.7	9.4

*Late care is defined as starting in the third trimester.

Source: National Center for Health Statistics.

States Ranked by Percentage of Women Receiving Early Prenatal Care, All Races, 1983

Rank	State	Rate
1	Connecticut	85.7
2	Massachusetts	85.6
3	Iowa	85.6
4	New Hampshire	84.8
5	Rhode Island	84.7
6	Maine	84.0
7	Wisconsin	83.8
8	Vermont	82.9
9	Utah	82.2
10	North Dakota	81.5
11	Michigan	81.2
12	Kansas	81.2
13	Ohio	81.0
14	New Jersey	80.7
15	Virginia	80.6
16	Nebraska	80.6
17	Missouri	79.2
18	Montana	79.2
19	Minnesota	79.1
20	Pennsylvania	79.0
21	Wyoming	78.7
22	Maryland	78.5
23	Louisiana	78.3
24	Illinois	77.8
25	North Carolina	77.8
26	Washington	77.6
27	Oregon	77.5
28	Indiana	77.2
29	California	77.1
30	Delaware	76.6
31	Colorado	76.4
32	Idaho	75.7
33	Georgia	75.2
34	Alaska	75.2
35	Kentucky	75.0
36	Tennessee	74.7
37	Mississippi	74.6
38	Hawaii	74.1
39	Nevada	74.1
40	Alabama	73.2
41	Arizona	72.6
42	South Dakota	72.1
43	West Virginia	72.0
44	New York	71.2
45	Florida	68.2
46	Arkansas	68.1
47	Texas	67.7
48	Oklahoma	67.4
49	South Carolina	66.5
50	New Mexico	61.5
51	District of Columbia	59.0
	United States	76.2

Source: National Center for Health Statistics.
Calculations by the Children's Defense Fund.

States Ranked by Percentage of Women Receiving Early Prenatal Care, Nonwhite, 1983

Rank	State	Rate
1	Maine	80.9
2	New Hampshire	78.8
3	Massachusetts	76.1
4	Vermont	75.4
5	California	75.0
6	Hawaii	73.8
7	Iowa	73.5
8	Michigan	71.4
9	Virginia	70.0
10	Kansas	68.5
11	Oregon	68.3
12	North Dakota	68.1
13	Colorado	67.7
14	Wyoming	67.1
15	New Jersey	67.0
16	Connecticut	66.7
17	Missouri	66.6
18	Louisiana	66.5
19	Maryland	66.5
20	Ohio	66.4
21	Utah	66.3
22	Washington	66.1
23	Idaho	66.0
24	Wisconsin	65.9
25	Alaska	65.9
26	Illinois	65.7
27	Rhode Island	64.9
28	North Carolina	64.8
29	Nebraska	64.5
30	Georgia	63.4
31	Mississippi	63.3
32	Tennessee	62.3
33	Nevada	61.9
34	Arizona	61.2
35	Pennsylvania	60.9
36	Kentucky	60.7
37	Delaware	60.6
38	Montana	60.6
39	Texas	59.1
40	Alabama	58.2
41	Minnesota	57.7
42	Indiana	57.1
43	West Virginia	56.1
44	South Carolina	52.2
45	Florida	51.6
46	New York	51.4
47	Oklahoma	50.9
48	Arkansas	50.5
49	New Mexico	48.4
50	District of Columbia	48.0
51	South Dakota	46.3
	United States	63.4

Maternal and Child Health Indicators, by Race and Hispanic Origin, U.S., 1982

	Origin of Mother					
	Hispanic*			Non-Hispanic		
	Total	Mexican-American	Puerto Rican	Total	White	Black
% of babies born at low birthweight	6.2	5.7	9.1	6.9	5.6	12.4
% of babies born prematurely	10.7	10.6	12.6	9.5	7.6	17.0
% of babies born to mothers who began prenatal care early	61.0	60.7	54.5	76.9	81.2	60.1
% of babies born to mothers who began prenatal care late or not at all	12.1	12.0	17.2	5.2	3.8	10.5
% of babies born to mothers younger than 15 years	0.4	0.4	0.5	0.3	0.1	0.9
% of babies born to mothers younger than 20 years	18.3	19.1	23.0	13.7	11.3	24.9
% of births out of wedlock	25.6	21.9	49.0	19.4	10.2	58.0

*Based on data from the twenty-three states recording Hispanic or ethnic origin on birth certificates. These states account for 95 percent of the total national estimate for Hispanic-origin births. In 1982, 95.0 percent of births to mothers of Hispanic origin were white, 3.3 percent were black, and 1.7 percent were other races.

Source: National Center for Health Statistics.

Median Weekly Earnings of Full-Time Workers by Age, Race, and Sex (Third Quarter, 1985) And as a Percentage of Older Workers' Earnings

	Age 16-24	Age 25+	Young Workers' Earnings as a Percentage of Older Workers' Earnings, 3rd Quarter, 1985	Young Workers' Earnings as a Percentage of Older Workers' Earnings in 1983
Black	$179	$291	61.5%	66.5%
Male	183	329	55.6	62.5
Female	175	255	68.6	73.5
White	221	391	56.5	58.6
Male	237	457	51.9	55.5
Female	208	303	68.6	75.0
Hispanic	207	292	70.9	N/A
Male	219	322	68.0	N/A
Female	186	239	77.8	N/A
Total	218	378	57.7	59.3
Male	231	440	52.5	55.1
Female	206	296	69.6	76.4

Percent of Workers Paid on an Hourly Basis Earning the Minimum Wage or Less in 1979 and 1984, and the Percent in 1984 Earning Less Than $4.00, the Inflation-Adjusted Value of the 1979 Minimum Wage of $2.90 per Hour

Race, Sex, & Age Group	1979 $2.90 or Less Hourly	1984 $3.35 or Less Hourly	1984 Under $4.00 Hourly
Total	13.3	11.0	21.1
Male	7.7	7.5	14.3
Female	20.2	14.8	28.4
White	12.8	10.7	20.5
Black	16.9	13.5	24.7
Age 16-19	37.3	38.5	65.3
Male	29.5	32.9	58.1
Female	45.9	44.1	72.5
White	36.3	37.6	64.9
Black	48.7	50.1	70.3
Age 20-24	13.7	14.3	28.5
Male	8.3	10.6	21.6
Female	20.6	18.7	36.5
White	12.9	13.6	27.1
Black	19.2	20.6	38.9
Age 25-up	8.4	6.2	12.8
Male	3.3	3.1	6.2
Female	14.6	9.5	19.8
White	7.7	5.7	11.9
Black	12.8	9.0	17.9

AFDC RECIPIENT CHILDREN PER 100 CHILDREN IN POVERTY, 1972-1984

Year	Number of children on AFDC[a]	Number of children in poverty[b]	Rate per 100 poor children[c]
1972	7,905,000	10,082,000	78.4
1973	7,902,000	9,453,000	83.6
1974	7,822,000	9,967,000	78.5
1975	8,095,000	10,882,000	74.4
1976	8,001,000	10,081,000	79.4
1977	7,773,000	10,028,000	77.5
1978	7,402,000	9,722,000	76.1
1979	7,179,000	9,993,000	71.8
1980	7,419,000	11,114,000	66.8
1981	7,527,000	12,068,000	62.4
1982	6,903,000	13,139,000	52.5
1983	7,098,000	13,449,000	52.8
1984	7,144,000	12,929,000	55.3

[a] The number of dependent children in active payment status on AFDC averaged over the 12 months in the calendar year.

[b] The number of related dependent children living in families with incomes below the poverty level for the calendar year labeled.

[c] The first column divided by the second column multiplied by 100. It is not meant to imply that all or only children in poverty level families are eligible for AFDC benefits. Because the poverty level is based on the living arrangements of children in March of the year after the one for which family income is calculated, many children will appear above and below poverty, when that was not in fact true for the families with which the child lived in the previous calendar year. Many children living in families below poverty are not eligible for AFDC because of state limitations on earnings and assets.

STATES RANKED BY JANUARY 1985 MONTHLY AFDC AND FOOD STAMP BENEFITS AS A PERCENTAGE OF THE MONTHLY 1985 FEDERAL POVERTY LEVEL

Rank[a]	State	% of Monthly Poverty Level[b]	Monthly Combined AFDC and Food Stamp Benefits for a Three Person Family[c]	Maximum AFDC Benefit for a Three Person Family
1	Alaska	91.9	847	719
2	Vermont	85.0	627	558
3	California	84.7	625	555
4	Connecticuit	83.8	618	546
5	Rhode Island	82.7	610	479
6	Wisconsin	82.6	609	533
7	Minnesota	81.8	603	524
8	Hawaii	80.9	686	468
9	Washington	78.5	579	476
10	New York	78.2	577	474
11	Michigan	74.6	550	417
12	Oregon	73.5	542	386
13	Massachusetts	69.6	513	396
14	New Jersey	68.6	506	385
15	New Hampshire	67.9	501	378
16	Kansas	67.4	497	373
17	North Dakota	67.3	496	371
18	Maine	67.1	495	370
19	Pennsylvania	66.6	491	364
20	Utah	66.4	490	363
21	Iowa	66.2	488	360
22	Nebraska	65.2	481	350
23	Colorado	64.8	478	346
24	Maryland	63.5	468	313
24	Montana	63.5	468	332
25	South Dakota	63.2	466	329
26	District of Columbia	63.1	465	327
26	Virginia	63.1	465	327
27	Idaho	60.9	449	304
28	Illinois	60.6	447	302
29	Ohio	59.5	439	290
30	Delaware	59.3	437	287
31	Oklahoma	58.7	433	282
32	Wyoming	57.2	422	265
33	Missouri	56.9	420	263
34	New Mexico	56.5	417	258
35	Indiana	56.3	415	256
36	Florida	54.8	404	240
37	Arizona	54.1	399	233
37	Nevada	54.1	399	233
38	North Carolina	53.2	392	223
39	Georgia	51.8	382	208
40	West Virginia	51.5	380	206
41	Kentucky	50.7	374	197
42	Louisiana	50.0	369	190
43	South Carolina	49.8	367	187

STATES RANKED BY JANUARY 1985 MONTHLY AFDC AND FOOD STAMP BENEFITS AS A PERCENTAGE OF THE MONTHLY 1985 FEDERAL POVERTY LEVEL

Rank[a]	State	% of Monthly Poverty Level[b]	Monthly Combined AFDC and Food Stamp Benefits for a Three Person Family[c]	Maximum AFDC Benefit for a Three Person Family
44	Texas	47.9	353	167
45	Arkansas	47.6	351	164
46	Tennessee	45.2	333	138
47	Alabama	43.3	319	118
48	Mississippi	41.1	303	96

[a] States with the same combined AFDC and Food Stamp benefit are given the same rank.

[b] The 1985 monthly federal poverty level for a family of three of $737.50 was used for all states and the District of Columbia (except Alaska and Hawaii). The 1985 monthly federal poverty level for a three person family in Alaska was $921.67 and in Hawaii $848.33.

[c] Food stamp calculations are based on maximum AFDC benefits for a three-person nonworking family as shown and assume the standard deduction of $95. The calculations take into account the fact that food stamps are reduced $.30 for every dollar of AFDC income, and that in the six states where part of the AFDC payment is designated as energy aid this amount is disregarded for food stamp purposes. The six states include Maryland, Michigan, New York, Oregon, Rhode Island, and Washington. Maximum monthly food stamp benefits for a family of three in January 1985 were $208 in all states and the District of Columbia, except Alaska and Hawaii where they were $290 and $319 respectively.

AFDC MAXIMUM BENEFIT AND NEED STANDARD FOR A THREE-PERSON FAMILY BY STATE

State	Maximum benefit[a]		Standard of need[b]	
	Jan 1984[c]	Jan 1985[d]	Jan 1985[d]	Percent of need paid[d]
Alabama	118	118*	384	31
Alaska	696	719	719	100
Arizona	233	233*	233	100
Arkansas	164	164*	234	70
California	526	555	555	100
Colorado	336	346*	421	82
Connecticut	529	546	546	100
Delaware	287	287*	287	100
District of Columbia	299	327*	654	50
Florida	231	240*	400	60
Georgia	202	208*	366	57
Hawaii	468	468	468	100
Idaho	305	304*	554	55
Illinois	302	302*	632	48
Indiana	258	256*	307	83
Iowa	360	360*	497	72
Kansas	364	373	373	100
Kentucky	188	197*	197	100
Louisiana	190	190*	538	35
Maine	341	370	510	73
Maryland	295	313*	433	72
Massachusetts	379	396	627	63
Michigan(Washtenaw Co.)	(445)	(447)	(592)	(76)
(Detroit)	(418)	(417)	(557)	(75)
Minnesota	500	524	524	100
Mississippi	96	96*	286	34
Missouri	261	263*	312	84
Montana	332	332*	401	83
Nebraska	350	350*	350	100
Nevada	228	233*	285	82
New Hampshire	341	378	378	100
New Jersey	360	385	385	100
New Mexico	258	258*	258	100
New York(Suffolk Co.)	(579)	(579)	(579)	100
(New York City)	(474)	(474)	(474)	100
North Carolina	202	223*	446	50
North Dakota	357	371	371	100
Ohio	276	290*	627	46
Oklahoma	282	282*	282	100
Oregon	368	386	386	100

AFDC MAXIMUM BENEFIT AND NEED STANDARD FOR A THREE-PERSON FAMILY BY STATE (Continued)

State	Maximum benefit[a]		Standard of need[b]	
	Jan 1984[c]	Jan 1985[d]	Jan 1985[d]	Percent of need paid[d]
Pennsylvania	350	364*	614	59
Rhode Island	462	479	479	100
South Carolina	142	187*	187	100
South Dakota	321	329*	329	100
Tennessee	127	138*	246	56
Texas	148	167*	555	30
Utah	362	363*	685	53
Vermont	530	558	852	65
Virginia	310	327*	363	90
Washington	462	476	768	62
West Virginia	206	206*	275	75
Wisconsin	513	533	628	85
Wyoming	325	265*	265	100

[a] Maximum benefit is the amount paid for a one parent family of three persons with zero countable income. Family members include one adult caretaker. In states with area differentials in benefits, figure shown is for area with the highest benefit. Maximum benefits are identical to payment standards in all states except Colorado, Indiana, Mississippi and Utah, where the payment standards are higher.

[b] Standard of need is the amount of money the state determines a family of a given size needs per month to achieve a minimum standard of living in that state. The standard of need is used to determine initial eligibility for AFDC. Benefit levels do not have to equal a state's need standard and in 30 states they do not. See column headed "Percent of need paid."

[c] Source: Committee on Ways and Means, U.S. House of Representatives, Background Material and Data on Major Programs Within the Jurisdiction of the Committee on Ways and Means, February 1984, Table 5, pp. 299-301.

[d] Source: Committee on Ways and Means, U.S. House of Representatives, Background Material and Data on Major Programs Within the Jurisdiction of the Committee on Ways and Means, February 1985, Table 7, pp. 345-347.

* States in which the monthly maximum benefit for a family of three is less than 50 percent of the 1985 monthly federal poverty level ($737.50).

AFDC MAXIMUM BENEFIT FOR A FOUR-PERSON FAMILY BY STATE
SELECTED YEARS (a)

State	Maximum benefit (b) July 1970	 July 1980	 January 1985	Percent Change 1970-85	Percent change 1970-85 in constant 1985 dollars (c)
ALABAMA	$ 81	$148	$147	81.5	-32.2
ALASKA	375	514	800	113.3	-20.4
ARIZONA	167	244	282	68.9	-37.0
ARKANSAS	100	188	191	91.0	-28.7
CALIFORNIA	221	563	660	198.6	+11.5
COLORADO	235	351	420	78.7	-33.3
CONNECTICUT	330	553	636	92.7	-28.1
DELAWARE	187	312	336	79.7	-32.9
DISTRICT OF COLUMBIA	238	349	399	67.6	-37.4
FLORIDA	134	230	284	111.9	-20.9
GEORGIA	133	193	245	84.2	-31.2
HAWAII	263	546	546	107.6	-22.5
IDAHO	242	367	344	42.1	-46.9
ILLINOIS	282	350	368	30.5	-51.3
INDIANA	150	315	316	110.7	-21.4
IOWA	243	419	419	72.4	-35.6
KANSAS	244	390	422	73.0	-35.4
KENTUCKY	187	235	246	31.6	-50.9
LOUISIANA	109	213	234	114.7	-19.9
MAINE	168	352	465	176.8	+ 3.3
MARYLAND	196	326	376	91.8	-28.4
MASSACHUSETTS	314	419	463	47.5	-45.0
MICHIGAN:					
Washtenaw County	......	531	542	....	....
Wayne County	263	5010	512	94.7	-27.3
MINNESOTA	299	486	611	104.3	-23.7
MISSISSIPPI	70	120	120	71.4	-36.0
MISSOURI	130	290	308	136.9	-11.6
MONTANA	228	331	425	86.4	-30.4
NEBRASKA	200	370	420	110.0	-21.6
NEVADA	143	314	279	95.1	-27.2
NEW HAMPSHIRE	294	392	429	45.9	-45.5
NEW JERSEY	347	414	443	27.7	-52.3
NEW MEXICO	182	267	313	72.0	-35.8
NEW YORK:					
Suffolk County	......	563	676	....	....
New York City	336	476	566	68.5	-37.1
NORTH CAROLINA	158	210	244	54.4	-42.3
NORTH DAKOTA	261	408	454	73.9	-35.1

State	Maximum benefit (b)			Percent Change 1970-85	Percent change 1970-85 in constant 1985 dollars (c)
	July 1970	July 1980	January 1985		
OHIO	$200	$327	$360	80.0	-32.8
OKLAHOMA	185	349	349	88.6	-29.6
OREGON	225	441	468	108.0	-22.3
PENNSYLVANIA	313	395	444	41.9	-47.0
RHODE ISLAND	263	389	547	108.0	-22.4
SOUTH CAROLINA	103	158	229	122.3	-17.0
SOUTH DAKOTA	300	361	371	23.7	-53.8
TENNESSEE	129	148	168	30.2	-51.4
TEXAS	179	140	201	12.3	-58.1
UTAH	212	429	425	100.5	-25.2
VERMONT	304	552	622	104.6	-23.6
VIRGINIA	261	305	379	45.2	-45.8
WASHINGTON	303	536	561	85.1	-30.9
WEST VIRGINIA	138	249	249	80.4	-32.6
WISCONSIN	217	529	636	193.1	+ 9.4
WYOMING	227	340	310	36.6	-49.0

(a) Source: Excerpted from Committee on Ways and Means, U.S. House of Representatives, Children in Poverty, May 22, 1985, Table 6-12, pp. 204-205.

(b) Maximum benefit is the amount paid for a family of a given size with zero countable income. Family members include one adult caretaker.

(c) The last column was computed using the CPI-U Consumer Price Index which was 316.1 for January 1985.

STATUS OF OPTIONAL AFDC COVERAGE IN THE STATES
(As of October 1, 1985)(a)

	AFDC for Pregnant Women With No Other Children Beginning in Sixth Month of Pregnancy (b)	AFDC for Students Age 19 (c)	AFDC for Unemployed Two-Parent Families (d)	AFDC Emergency Assistance Program (e)
Alabama	No	No	No	No
Alaska	7th month on	No	No	No
Arizona	Yes	Yes	No	No
Arkansas	No	No	No	Yes
California	Yes	Yes	Yes	Yes
Colorado	Yes	Yes	No	No
Connecticut	Yes	Yes	Yes	No
Delaware	9th month only	No	Yes	Yes
District of Columbia	Yes	Yes	Yes	Yes
Florida	Yes	No	No	No
Georgia	No	No	No	Yes
Hawaii	Yes	Yes	Yes	No
Idaho	Yes	Yes	No	No
Illinois	No	Yes	Yes	Yes
Indiana	No	No	No	No
Iowa	No	Yes	Yes	No
Kansas	Yes	Yes	Yes	Yes
Kentucky	No	Yes	No	No
Louisiana	Yes	Yes	No	No
Maine	No	Yes	Yes	Yes
Maryland	Yes	Yes	Yes	Yes
Massachusetts	Yes	Yes	Yes	Yes
Michigan	Yes	Yes	Yes	Yes
Minnesota	7th month on	Yes	Yes	Yes
Mississippi	No	No	No	No
Missouri	No	Yes	Yes	No
Montana	Yes	Yes	No	Yes
Nebraska	Yes	Yes	Yes	Yes
Nevada	Yes	Yes	No	No
New Hampshire	No	Yes	No	No
New Jersey	No	Yes	Yes	Yes
New Mexico	Yes	Yes	No	No
New York	Yes	Yes	Yes	Yes
North Carolina	Yes	Yes	No	No
North Dakota	Yes	Yes	No	No
Ohio	Yes	Yes	Yes	Yes
Oklahoma	No	Yes	No	Yes
Oregon	9th month only	Yes	Yes(f)	Yes
Pennsylvania	Yes	Yes	Yes	Yes
Rhode Island	Yes	Yes	Yes	No
South Carolina	No	Yes	Yes(g)	No
South Dakota	No	Yes	No	No
Tennessee	7th month on	No	No	No
Texas	No	Yes	No	No
Utah	Yes	Yes	No	No

STATUS OF OPTIONAL AFDC COVERAGE IN THE STATES
(As of October 1, 1985)(a)

	AFDC for Pregnant Women With No Other Children Beginning in Sixth Month of Pregnancy (b)	AFDC for Students Age 19 (c)	AFDC for Unemployed Two-Parent Families (d)	AFDC Emergency Assistance Program (e)
Vermont	Yes	No	Yes	Yes
Virginia	No	Yes	No	Yes
Washington	7th month on	Yes	Yes	Yes
West Virginia	No	No	Yes	Yes
Wisconsin	7th month on	Yes	Yes	Yes
Wyoming	Yes	Yes	No	Yes

(a) Source: "ASAP, Automated State AFDC Plans," Reports Based on State Plan Amendments Effective on or Before October 1, 1985, and Received by January 1, 1986, Department of Health and Human Services, Office of Family Assistance, January 6, 1986, with updates by CDF as noted.

(b) Federal matching payments for AFDC for pregnant women with no other children are available no earlier than the sixth month of a medically verified pregnancy. States have the option of providing AFDC beginning in the sixth month or later, or not at all.

(c) States have the option of providing AFDC to children to age 19, provided they are full-time students in a secondary school or equivalent technical program and are expected to complete the program before reaching age 19. Otherwise eligibility for AFDC ends on a child's eighteenth birthday.

(d) States have the option of providing AFDC to two-parent families where the principal earner is unemployed.

(e) States have the option of providing emergency assistance for no more than 30 days per calendar year to AFDC families and other needy families with children. The federal government pays half the cost of emergency assistance benefits and administration.

(f) Program implemented 2/1/86.

(g) Program implemented 10/1/85, not noted on Automated State AFDC Plans.

Cost to Federal Government and Projected Growth in Selected Tax Expenditures, 1984-1989 (in millions of dollars)

Tax Expenditure	1984	1989	Increase 1984-1989	Percent Increase
Mortgage interest deduction	23,480	39,810	16,330	69.5
Other interest deduction	6,570	9,630	3,060	46.6
Deferral of Capital gains on home sales	4,895	7,550	2,655	54.2
Property tax deductibility	8,775	15,375	6,600	75.2
Deductibilty of other state and local taxes	19,840	35,590	15,750	79.4
Lower Capital gains rates for heirs of estates	3,860	6,615	2,755	71.4
All other capital gains - lower rates	19,760	29,510	9,750	49.3
Exclusion of health insurance benefits	17,625	34,110	16,485	93.5
Employee retirement: IRA's and Keogh plans	57,910	98,635	40,725	70.3
Expense oil and gas (100% write-off of capital costs in the first year of production)	1,840	3,865	2,025	110.1
Accelerated depreciation on buildings and equipment	12,400	17,430	5,030	40.6

Value to Different Income Groups of Selected Tax Breaks (based on 1982 incomes and 1984 tax rates)

	Itemized Mortgage Interest Deductions			Other Itemized Interest Deductions			Lower Rates on Long Term Capital Gains		
Income Class ($1,000's)	% of All Tax Returns That Claim	Avg. $ of Tax Lost per Claim	% of All Taxes Lost	% of All Tax Returns That Claim	Avg. $ of Tax Lost per Claim	% of All Taxes Lost	% of All tax Returns That Claim	Avg. $ of Tax Lost per Claim	% of All Taxes Lost
Below $5	4.1	44	0.2	1.6	11	0.1	0.2	61	0.0
$5-$10	13.7	85	1.1	6.4	32	0.6	2.1	152	0.3
$10-$15	18.0	155	2.1	9.4	81	1.9	3.6	276	0.9
$15-$20	25.1	279	4.2	17.4	125	4.3	4.8	402	1.4
$20-$30	38.5	503	17.8	29.9	224	20.5	5.1	643	3.5
$30-$50	60.7	869	41.7	43.0	375	42.4	10.6	1222	12.0
$50-$100	66.7	1662	24.0	33.3	783	18.8	28.0	3191	22.9
$100-$200	58.0	2890	6.6	25.5	2130	7.2	49.2	8141	18.7
Above $200	51.3	3744	2.4	25.4	4000	4.2	61.8	43936	40.2
Total	28.1	687	100.0	18.3	317	100.0	5.7	2872	100.0

States Ranked by Percentage of Eligible Women, Infants, and Children Actually Served by Supplemental Food Program for Women, Infants, and Children (WIC) in August 1985

Rank	State	Rate
1	Vermont	79
2	Connecticut	65
3	Mississippi	60
4	South Carolina	51
5	Wyoming	51
6	Ohio	50
7	Nevada	50
8	New Hampshire	50
9	Rhode Island	50
10	District of Columbia	47
11	Minnesota	47
12	Pennsylvania	46
13	Wisconsin	46
14	Louisiana	45
15	Maryland	45
16	Georgia	44
17	North Carolina	43
18	Michigan	43
19	Iowa	42
20	New York	41
21	North Dakota	41
22	Illinois	40
23	Massachusetts	40
24	Virginia	39
25	Kentucky	39
26	New Jersey	39
27	Alabama	38
28	Maine	38
29	New Mexico	38
30	Oregon	37
31	West Virginia	37
32	Missouri	36
33	Colorado	36
34	Montana	36
35	Indiana	35
36	Tennessee	34
37	Oklahoma	34
38	Texas	33
39	Nebraska	33
40	South Dakota	32
41	Delaware	31
42	Florida	30
43	Kansas	30
44	Washington	29
45	California	29
46	Arizona	27
47	Idaho	27
48	Alaska	27
49	Utah	27
50	Arkansas	23
51	Hawaii	16

Source: U.S. Department of Agriculture, Food and Nutrition Service. Calculations by Children's Defense Fund.

Birth Rates by Age of Mother and Race/Ethnicity of Child, 1970-1983

		Total			
ALL RACES	Under 15	15-19	15-17	18-19	20-24
1970	1.2	68.3	38.8	114.7	167.8
1980	1.1	53.0	32.5	82.1	115.1
1983	1.1	51.7	32.0	78.1	108.3
WHITE					
1970	.5	57.4	29.2	101.5	163.4
1980	.6	44.7	25.2	72.1	109.5
1983	.6	43.6	24.8	68.3	102.6
BLACK					
1970	5.2	147.7	101.4	204.9	202.7
1980	4.3	100.0	73.6	138.8	146.3
1983	4.1	95.5	70.1	130.4	137.7
HISPANIC 1980	1.7	82.2	52.2	126.9	156.4
Mexican	1.9	95.6	--	--	176.8
Puerto Rican	2.3	83.0	--	--	133.3
Cuban	.3	25.3	--	--	80.2
Other Hispanic*	.9	52.3	--	--	123.7

*Includes Central and South American, plus others.
Source: National Center for Health Statistics.

Birth Rates to Unmarried Women by Age of Mother and Race/Ethnicity of Child, 1970-1983

	Total			
ALL RACES	15-19	15-17	18-19	20-24
1970	22.4	17.1	32.9	38.4
1980	27.6	20.6	39.0	40.9
1983	29.7	22.1	41.0	42.0
WHITE				
1970	10.9	7.5	17.6	22.5
1980	16.2	11.8	23.6	24.4
1983	18.5	13.5	26.1	26.4
BLACK				
1970	96.9	77.9	136.4	131.5
1980	89.2	69.6	120.2	115.1
1983	86.4	67.1	114.0	110.0
HISPANIC 1980	39.7	28.3	60.5	76.5
Mexican	41.8	29.9	63.9	79.5
Puerto Rican	62.4	43.9	96.8	114.1
Cuban	6.6	4.3	10.6	14.0
Other Hispanic	27.0	18.6	41.1	58.6

Source: National Center for Health Statistics

States Ranked by Percentage of All Births to Mothers Under 20, Total, 1983

Rank	State	Rate
1	Minnesota	8.1
2	New Hampshire	8.9
3	Massachusetts	9.1
4	Utah	9.3
5	North Dakota	9.4
6	Alaska	9.7
7	Connecticut	9.9
8	Iowa	9.9
9	Nebraska	10.0
10	Hawaii	10.6
11	Vermont	10.7
12	Washington	10.7
13	Wisconsin	10.7
14	New Jersey	11.0
15	New York	11.0
16	Montana	11.1
17	Oregon	11.1
18	Rhode Island	11.4
19	Colorado	11.5
20	South Dakota	11.7
21	California	11.7
22	Idaho	11.8
23	Wyoming	12.4
24	Kansas	12.4
25	Pennsylvania	12.4
26	Michigan	12.7
27	Maine	12.8
28	Virginia	13.3
29	Nevada	13.5
30	Illinois	13.6
31	Maryland	13.8
32	Ohio	14.0
33	Missouri	14.4
34	Arizona	14.7
35	Indiana	15.3
36	Florida	15.6
37	Delaware	15.9
38	Texas	16.4
39	North Carolina	17.2
40	New Mexico	17.3
41	Oklahoma	17.6
42	South Carolina	18.1
43	Tennessee	18.1
44	Georgia	18.1
45	District of Columbia	18.4
46	Louisiana	18.4
47	West Virginia	18.5
48	Kentucky	18.9
49	Alabama	19.1
50	Arkansas	20.9
51	Mississippi	21.5
	United States	13.7

States Ranked by Percentage of Teen Births that were Out of Wedlock, Total, 1983

Rank	State	Rate
1	Utah	31.4
2	Wyoming	33.0
3	Idaho	33.1
4	Oklahoma	35.9
5	Kentucky	36.0
6	West Virginia	36.8
7	Texas	37.3
8	Nevada	40.6
9	Kansas	42.3
10	North Dakota	46.3
11	Arkansas	47.5
12	Colorado	48.1
13	Maine	48.5
14	Tennessee	48.5
15	New Hampshire	48.7
16	Iowa	48.9
17	Montana	49.3
18	Indiana	49.3
19	South Dakota	50.1
20	New Mexico	50.1
21	Nebraska	50.2
22	Oregon	50.7
23	Washington	51.6
24	North Carolina	51.7
25	Michigan	52.2
26	Alaska	52.6
27	Missouri	53.9
28	Alabama	54.1
29	Vermont	54.3
30	Ohio	54.4
31	Georgia	54.5
32	Arizona	55.6
33	Louisiana	55.7
34	Virginia	56.1
35	California	56.5
36	Florida	57.5
37	Minnesota	57.6
38	Wisconsin	58.8
39	Hawaii	59.3
40	Rhode Island	59.7
41	Pennsylvania	60.0
42	South Carolina	60.3
43	Mississippi	63.5
44	Massachusetts	64.0
45	Illinois	66.1
46	Connecticut	67.1
47	Delaware	67.6
48	New York	70.8
49	Maryland	71.5
50	New Jersey	73.3
51	District of Columbia	91.0
	United States	54.1

Source: National Center for Health Statistics.

States Ranked by Percentage of All Births to Mothers Under 20, White, 1983

Rank	State	Rate
1	District of Columbia	5.9
2	Minnesota	7.4
3	Alaska	7.5
4	New Jersey	7.5
5	Connecticut	7.9
6	Hawaii	8.2
7	North Dakota	8.3
8	Massachusetts	8.5
9	Wisconsin	8.6
10	New York	8.8
11	New Hampshire	9.0
12	Nebraska	9.2
13	Utah	9.2
14	Iowa	9.5
15	Montana	9.6
16	South Dakota	9.8
17	Illinois	10.0
18	Maryland	10.1
19	Rhode Island	10.3
20	Washington	10.3
21	Michigan	10.5
22	Pennsylvania	10.5
23	Virginia	10.7
24	Vermont	10.8
25	Oregon	10.8
26	Delaware	11.1
27	Colorado	11.1
28	Kansas	11.4
29	California	11.5
30	Idaho	11.6
31	Nevada	12.1
32	Wyoming	12.2
33	Missouri	12.2
34	Ohio	12.3
35	Florida	12.4
36	Maine	12.7
37	Arizona	13.7
38	North Carolina	13.7
39	South Carolina	13.8
40	Indiana	13.9
41	Louisiana	14.3
42	Georgia	14.3
43	Alabama	15.1
44	Texas	15.3
45	Mississippi	15.5
46	Tennessee	15.9
47	Oklahoma	16.1
48	New Mexico	17.1
49	Arkansas	17.9
50	West Virginia	18.4
51	Kentucky	18.4
	United States	11.8

States Ranked by Percentage of All Births to Mothers Under 20, Nonwhite, 1983

Rank	State	Rate
1	Utah	11.3
2	Hawaii	11.4
3	California	12.6
4	Maine	13.6
5	Washington	13.9
6	Massachusetts	14.6
7	Oregon	14.8
8	Alaska	14.9
9	Colorado	15.1
10	Idaho	15.8
11	New York	17.7
12	Wyoming	17.8
13	Minnesota	18.2
14	New Mexico	18.2
15	Iowa	19.3
16	Nevada	19.6
17	Arizona	19.7
18	West Virginia	20.2
19	Kansas	20.4
20	Rhode Island	20.5
21	Virginia	20.6
22	Nebraska	20.9
23	District of Columbia	21.2
24	Maryland	21.2
25	North Dakota	21.3
26	South Dakota	22.0
27	Montana	22.4
28	Texas	22.4
29	Connecticut	22.6
30	Michigan	22.7
31	New Jersey	22.9
32	Kentucky	23.2
33	Oklahoma	23.4
34	Ohio	23.4
35	Pennsylvania	23.9
36	South Carolina	24.4
37	Florida	24.5
38	Louisiana	24.7
39	Georgia	24.8
40	North Carolina	24.9
41	Indiana	25.1
42	Missouri	25.5
43	Tennessee	25.5
44	Illinois	25.5
45	Alabama	26.6
46	Mississippi	27.8
47	Arkansas	29.7
48	Delaware	29.8
49	Wisconsin	31.3
	United States	21.4

The following states have small numbers of nonwhite teen births and are not ranked: New Hampshire and Vermont.

Source: National Center for Health Statistics.

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Percentages of Persons Ages 20-21 Who Are Not Enrolled in School and Are Not High School Graduates, by Race and Poverty Status, 1983

	White	Black
All incomes	10.6	14.7
Poor	27.1	24.6
Nonpoor	8.6	9.3

Percent of Recent High School Graduates Enrolled in Colleges, by Race, October, 1977-1984

Year	Total	White	Black
1977	51%	51%	50%
1978	50	50	46
1979	49	50	46
1980	49	50	43
1981	54	55	43
1982	51	52	36
1983	53	55	39
1984	55	58	40

Chapter 1 Recipient Children Per 100 School-age Children in Poverty, 1980-1984

Year	Chapter 1 Recipient Children	School-age Children (5-17) Living in Poverty	Chapter 1 Recipients per 100 Poor School-age Children
1980	5,402,000	7,187,000	75
1981	5,301,000	8,069,000	66
1982	4,866,000	8,682,000	56
1983	4,750,000	9,407,000	50
1984	4,846,000	9,334,000	52

STATE ALLOCATIONS FOR MAJOR EDUCATION PROGRAMS, 1978-1985

States	Federal Compensatory Education (in millions)			P.L. 94-142 Basic Grants (in millions)			Title VII Bilingual Basic Grants (in thous.)		
	1978	1982	1985	1978	1982	1985	1978	1982	1985
Alabama	53.2	67.8	68.7	3.8	16.5	21.5	0	0	0
Alaska	5.5	7.2	9.3	0.5	1.7	2.1	807	566	1,025
Arizona	23.0	30.0	40.2	2.5	11.0	13.0	3,663	2,086	2,365
Arkansas	33.7	44.1	44.3	1.8	9.9	11.7	0	0	238
California	194.6	276.7	367.2	23.3	78.6	92.8	26,107	12,911	18,193
Colorado	20.9	29.7	36.6	2.8	9.9	10.7	1,919	1,339	715
Connecticut	22.2	25.2	41.6	3.9	14.0	16.0	982	906	443
Delaware	6.8	9.9	12.7	0.8	2.6	2.9	200	0	0
District of Columbia	13.9	17.0	18.0	0.7	0.7	0.7	220	0	340
Florida	89.7	99.8	158.6	8.0	30.0	38.5	1,517	2,238	1,780
Georgia	58.7	76.9	90.9	5.9	23.9	27.3	95	60	140
Hawaii	6.7	7.4	11.5	0.8	2.5	3.1	523	851	705
Idaho	7.4	9.3	13.4	0.9	3.6	4.5	343	157	355
Illinois	109.1	134.0	181.1	14.9	46.4	57.5	821	1,307	2,236
Indiana	29.9	37.9	51.9	5.8	20.1	24.6	230	355	165
Iowa	18.0	24.5	30.2	3.3	13.2	14.4	0	440	109
Kansas	16.8	22.0	26.8	2.6	8.5	10.6	110	83	143
Kentucky	43.6	56.7	61.3	3.9	14.8	18.4	120	91	206
Louisiana	62.6	84.6	96.7	5.9	16.7	20.7	3,751	1,206	1,148
Maine	10.6	13.2	17.2	1.4	5.3	6.6	272	221	249
Maryland	38.3	46.3	58.0	5.1	20.8	22.7	280	207	267
Massachusetts	53.0	62.5	89.3	8.4	27.9	32.1	2,181	1,607	2,066
Michigan	94.7	108.9	144.4	10.1	31.8	37.8	2,284	2,619	3,767
Minnesota	35.2	37.3	41.1	4.9	17.5	20.1	318	525	810
Mississippi	52.3	66.8	64.1	2.3	9.9	13.0	313	0	270
Missouri	38.9	50.5	53.5	6.4	21.2	24.8	130	0	115
Montana	7.9	9.7	11.4	0.7	2.8	3.9	765	1,444	1,065
Nebraska	11.2	14.6	17.6	1.8	6.6	7.7	0	0	231
Nevada	3.3	4.6	7.2	0.6	2.5	3.3	0	248	182
New Hampshire	4.0	5.5	8.6	0.8	2.1	3.5	134	0	0

STATE ALLOCATIONS FOR MAJOR EDUCATION PROGRAMS, 1978-1985
(Continued)

States	Federal Compensatory Education (in millions) 1978	1982	1985	P.L. 94-142 Basic Grants (in millions) 1978	1982	1985	Title VII Bilingual Basic Grants (in thous.) 1978	1982	1985
New Jersey	64.3	67.6	114.6	9.8	33.2	41.3	2,684	1,430	1,082
New Mexico	18.5	24.7	30.2	1.1	5.2	6.9	2,871	3,852	3,222
New York	227.3	241.5	376.2	15.8	45.3	63.1	17,795	14,928	15,417
North Carolina	67.5	87.8	83.1	6.5	25.1	30.3	251	269	122
North Dakota	6.5	8.1	8.6	0.7	2.0	2.8	0	0	1,300
Ohio	66.8	88.2	119.7	11.1	42.8	49.4	530	539	1,123
Oklahoma	25.6	35.4	41.4	2.8	13.5	16.4	579	1,458	2,013
Oregon	23.3	30.0	40.5	2.3	8.7	10.7	672	568	854
Pennsylvania	102.4	122.0	170.0	13.8	40.0	45.9	938	597	463
Rhode Island	8.0	9.4	13.1	1.0	3.7	4.6	135	481	634
South Carolina	41.8	52.3	51.5	5.0	15.0	18.3	0	0	12
South Dakota	7.1	9.2	10.2	0.7	2.1	2.9	427	809	356
Tennessee	48.8	61.9	69.5	5.8	20.6	26.4	175	690	381
Texas	165.9	234.8	293.4	15.5	56.9	72.1	12,961	8,313	3,908
Utah	7.4	9.2	12.8	2.1	7.6	10.2	510	1,016	537
Vermont	5.4	5.5	9.2	0.5	2.1	1.9	275	183	551
Virginia	49.8	59.8	63.4	5.3	20.7	25.6	441	94	184
Washington	29.4	42.9	55.5	4.9	13.3	16.3	1,179	965	1,628
West Virginia	21.5	28.2	31.5	2.1	7.8	10.6	0	0	0
Wisconsin	37.2	41.5	53.3	4.3	14.8	18.3	489	453	162
Wyoming	3.4	4.8	5.5	0.5	2.1	2.6	169	286	273
Total	2285.0	2886.0	3523.6	253.8	874.2	1043.1	72,717	68,889	73,550

Percentages of Youths Ages 16-19 Who Are Employed, by Race

Year	White	Black	Hispanic
1978	52.4%	25.2%	39.3%
1979	52.6	25.4	40.6
1980	50.7	23.9	39.0
1981	48.7	22.1	35.2
1982	45.8	19.0	31.4
1983	45.9	18.7	32.5
1984	48.0	21.9	35.9
Dec. 1985*	48.1	24.2	29.3

*White and black rates based on monthly data for December 1985, seasonally adjusted. Hispanic rate is for November 1983, not seasonally adjusted.

Official Unemployment Rates for Youths Ages 16-19, by Race

Year	White	Black	Hispanic
1978	13.9%	38.7%	30.7%
1979	14.0	36.5	19.2
1980	15.5	38.5	22.5
1981	17.3	41.4	24.0
1982	20.4	48.0	29.9
1983	19.3	48.5	28.4
1984	16.0	42.7	23.7
Dec. 1985*	15.9	41.6	29.7

*White and black rates based on monthly data for December 1985, seasonally adjusted. Hispanic rate is for November 1985, not seasonally adjusted.

OFFICIAL YOUTH UNEMPLOYMENT RATES BY STATE, 1984

State	Rate	State	Rate
Alabama	29.5	Missouri	16.0
Alaska	20.1	Montana	15.8
Arizona	11.3	Nebraska	13.2
Arkansas	22.3	Nevada	23.2
California	18.7	New Hampshire	9.6
Colorado	15.9	New Jersey	17.7
Connecticut	13.3	New Mexico	17.7
Delaware	16.0	New York	19.4
District of Columbia	36.5	North Carolina	20.2
Florida	17.9	North Dakota	13.4
Georgia	19.1	Ohio	20.9
Hawaii	16.4	Oklahoma	19.9
Idaho	15.2	Oregon	19.0
Illinois	22.2	Pennsylvania	19.9
Indiana	18.1	Rhode Island	15.2
Iowa	16.3	South Carolina	19.7
Kansas	12.7	South Dakota	9.1
Kentucky	21.3	Tennessee	25.8
Louisiana	21.2	Texas	19.0
Maine	16.1	Utah	16.6
Maryland	14.7	Vermont	12.6
Massachusetts	9.6	Virginia	17.7
Michigan	24.5	Washington	20.7
Minnesota	11.8	West Virginia	28.3
Mississippi	32.7	Wisconsin	18.4
		Wyoming	14.2

CHILDREN SERVED WITH TITLE XX/SOCIAL SERVICES BLOCK GRANT DOLLARS (a)

State	FY 1984	FY 1985	Projection 1986	Percentage Change 1984-1985	Percentage Change 1981-1985
ALABAMA	8,950	8,000	6,500	-11. %	-39. %
ALASKA					
ARIZONA	14,300	15,600	--	+ 9.	+ 3.
ARKANSAS	1,810	1,795	1,814	- 0.9	-17.4
CALIFORNIA	--	77,819	77,819	--	--
COLORADO	6,709	6,696	7,378	- 0.2	-28.
CONNECTICUT	9,747	9,800	--	+ 0.5	- 8.
DELAWARE	1,260	1,376	1,376	+ 0.9	-33.
DISTRICT OF COLUMBIA	5,730	6,521	--	+14.	+19.9
FLORIDA	18,666	26,500	29,700	+42.	+61.
GEORGIA	8,200	8,161	8,094	- 0.5	- 0.3
HAWAII	2,095	1,747	1,900	-22.	-70.7
IDAHO	550	607	607		
ILLINOIS	17,031	17,198	20,343	+ 0.98	-38.
INDIANA	11,570	11,339	--	- 2.	+ 1.2
IOWA	1,197	1,500	--	+25.	-11.
KANSAS	2,438	2,481	2,480	+ 2.	-58.7
KENTUCKY	7,248	6,581	5,477	-10.	- 6.
LOUISIANA	8,330	7,830	7,830	- 7.	+ 9.
MAINE	2,950	2,270	2,270	-23.	-22.3
MARYLAND	12,500	14,000	--	+12.	+17.
MASSACHUSETTS	14,614	17,180	17,628	+17.5	+43.2
MICHIGAN	2,500	2,550	3,000	+ 2.	-88.6
MINNESOTA	--	--	--	--	--
MISSISSIPPI	3,074	4,523	4,823	+ 4.7	-33.
MISSOURI	5,800	6,628	8,550	+14.2	--
MONTANA	500	525	550	+ 5.	-53.
NEBRASKA	8,738	9,393	10,000	+ 7.4	+ 1.3
NEVADA	200	250	250	+25.	-71.6
NEW HAMPSHIRE	--	5,676	--	--	+42.
NEW JERSEY	11,893	12,693	--	+ 6.7	+12.
NEW MEXICO	3,751	2,526	2,673	-36.3	-51.
NEW YORK	76,000	96,178	96,178	+27.	+ 2.
NORTH CAROLINA	12,481	15,000	16,850	+20.	0.
NORTH DAKOTA	75	--	--	--	--
OHIO	--	14,130	--	--	-65.
OKLAHOMA	10,500-11,000	11,500	11,500	--	-31.
OREGON	3,562	3,458	2,198	-3.	+28.
PENNSYLVANIA	23,130	23,671		+ 2.	- .01
RHODE ISLAND	616	794	--	+29.	-63.

State	FY 1984	FY 1985	Projection 1986	Percentage Change 1984-1985	Percentage Change 1981-1985
SOUTH CAROLINA	4,950	5,000	5,000	+ 1.	+ .68
SOUTH DAKOTA	151	150	--	- 1.	-94.
TENNESSEE	14,179	12,967	14,058	- 8.6	- 1.
TEXAS	13,061	13,319	12,647	+ 2.	+ 5.
UTAH	6,134	6,741	--	+ 9.8	+54.8
VERMONT	930	1,100	--	+18.2	-16.
VIRGINIA	2,938	2,737	--	- 6.9	-48.
WASHINGTON	3,700	5,000	6,380	+35.1	+22.
WEST VIRGINIA	4,600	4,500	4,500	- 2.2	-14.
WISCONSIN	9,000	9,025	9,600	+ 0.2	+23.
WYOMING	1,303	1,700	--	+30.	--

ALABAMA: In FY85, while an average of 8,000 children are served per day, 15,000 to 20,000 move through the state Title XX child care system annually as a result of turnover.

ARIZONA: The FY85 figure is the number of children served in January 1985.

ARKANSAS: The FY85 figure is the number of child care slots purchased; the actual number of children served may be lower; the FY85 projection is the actual number of slots purchased as of September 1985.

COLORADO: FY84 and FY85 figures are monthly averages.

CONNECTICUT: The FY85 figure is an estimate.

DELAWARE: FY85 and FY86 figures include WIN children.

GEORGIA: FY84 and FY85 figures are the number of slots purchased by the state, not the number of children served.

IDAHO: FY84 and FY85 figures are duplicated monthly counts.

INDIANA: FY84 and FY85 counts are estimates.

IOWA: The FY85 count.is a monthly average.

KANSAS: The FY84 figure is the unduplicated monthly count for April 1984.

KENTUCKY: Figures are for the number of children and parents being served by the Title XX child care program.

LOUISIANA: FY84 and FY85 figures include both vendor and purchaser of service. The FY85 figure is projected.

MAINE: FY84 and FY85 figures are unduplicated counts.

MARYLAND: The FY84 figure is an authorized duplicated count of children in child care. Figures shown in the table were provided and confirmed by the state Department of Human Resources. Maryland children's advocates provided the following figures on the number of child care slots purchased or provided by the state: 1981:6,830; 1984: 6,859; 1985: 6,945; projection for 1986: 7,445.

MASSACHUSETTS: Figures for FY84 and FY86 do not include children served by the Department of Public Welfare Voucher Child Care Program, only slots purchased by the Department of Social Services for Title XX child care. Figures shown are the number of slots, rather than the number of children.

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MICHIGAN: The FY86 projection may increase beyond 3,000 because of expansion of the sliding fee scale and the addition of the new Young Parents Program.

MISSOURI: The FY85 figure is a monthly average; the FY86 figure is 129 percent of the FY86 count, based on a funding increase of 29 percent in FY86.

MONTANA: FY84 figures are an unduplicated monthly count.

NEBRASKA: The figures for FY84 and FY85 are average monthly counts. The increase in number of children to be served in FY86 is the result of expansion for the sliding fee scale. Figures shown in the table were provided and confirmed by the state Department of Social Services; Nebraska children's advocates provided the following figures on the number of children served: FY84, 8,800 and FY85, 9,256.

NEVADA: FY84 and FY85 figures are estimated duplicated counts.

NEW HAMPSHIRE: The FY85 figure is an estimated unduplicated count.

NEW JERSEY: FY84 and FY85 figures are for authorized unduplicated children in child care.

NEW MEXICO: The total client count per month reached this total in FY84.

NEW YORK: The authorized unduplicated count for FY84 includes 43,178 children. The FY86 projection estimates total individuals, both children and parents, to be served by Title XX child care.

NORTH CAROLINA: FY84-86 figures are average monthly counts.

OREGON: The FY85 count includes children with recipients and participants.

SOUTH DAKOTA: FY84 and FY85 figures on the number of children served are based on estimates calculated by the number of families served.

SOUTH DAKOTA: FY84 and FY85 figures on the number of children served are based on estimates calculated by the number of families served.

UTAH: FY84 and FY85 figures are monthly averages.

VERMONT: FY84 and FY85 figures are monthly averages.

VIRGINIA: The unduplicated number of children includes children of parents participating in the state's Employment Services Program.

WASHINGTON: Totals include state-funded programs for children of migrant and seasonal workers, as well as native Americans on reservations.

WISCONSIN: Figures provided are estimates. The state is currently changing its recordkeeping and reporting systems. Part-time care is included in the count, increasing the number of children.

WYOMING: 1985 and 1986 counts are estimates.

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Appendix B

Information About Congress

CONGRESSIONAL COMMITTEES WORKING ON CHILDREN'S ISSUES

SENATE

Appropriations

118 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-3471

Responsibilities: Item-by-item decisions on how much money to spend for each federal program each year.

Republicans

*Mark O. Hatfield, of Oregon, *Chairman*
*Ted Stevens, of Alaska
*Lowell P. Weicker, Jr., of Connecticut
*James A. McClure, of Idaho
Paul Laxalt, of Nevada
Jake Garn, of Utah
Thad Cochran, of Mississippi
*Mark Andrews, of North Dakota
James Abdnor, of South Dakota
Bob Kasten, of Wisconsin
Alfonse M. D'Amato, of New York
Mack Mattingly, of Georgia
*Warren Rudman, of New Hampshire
*Arlen Specter, of Pennsylvania
*Pete V. Domenici, of New Mexico

Democrats

John C. Stennis, of Mississippi
*Robert C. Byrd, of West Virginia
*William Proxmire, of Wisconsin
*Daniel K. Inouye, of Hawaii
*Ernest F. Hollings, of South Carolina
*Lawton Chiles, of Florida
J. Bennett Johnston, of Louisiana
*Quentin N. Burdick, of North Dakota
Patrick J. Leahy, of Vermont
Jim Sasser, of Tennessee
Dennis DeConcini, of Arizona
Dale Bumpers, of Arkansas
Frank R. Lautenberg, of New Jersey
*Tom Harkin, of Iowa

*Member of Labor, Health and Human Services, Education, and Related Agencies Subcommittee, chaired by Senator Lowell Weicker.

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Budget

SD-621 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-0642

Responsibilities: Drafting and approving a congressional budget, or "budget resolution," which sets very general spending targets for the coming year.

Republicans

Pete V. Domenici, of New Mexico, *Chairman*
William L. Armstrong, of Colorado
Nancy Landon Kassebaum, of Kansas
Rudy Boschwitz, of Minnesota
Orrin G. Hatch, of Utah
Mark Andrews, of North Dakota
Steven D. Symms, of Idaho
Charles E. Grassley, of Iowa
Bob Kasten, of Wisconsin
Dan Quayle, of Indiana
Slade Gorton, of Washington
John C. Danforth, of Missouri

Democrats

Lawton Chiles, of Florida
Ernest F. Hollings, of South Carolina
J. Bennett Johnston, of Louisiana
Jim Sasser, of Tennessee
Gary Hart, of Colorado
Howard M. Metzenbaum, of Ohio
Donald W. Riegle, Jr., of Michigan
Daniel Patrick Moynihan, of New York
J. James Exon, of Nebraska
Frank R. Lautenberg, of New Jersey

Finance

SD-219 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-4515

Responsibilities: Authorization and oversight for all tax and revenue measures and a broad range of important children's programs, including: the Adoption Assistance and Child Welfare Act of 1980; the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program under Medicaid; Medicaid; Aid to Families with Dependent Children (AFDC); Title XX Social Services; the Maternal and Child Health and Crippled Children's programs (Title V); Child Support; Social Security; Supplemental Security Income (SSI); and Dependent Care Tax Credits.

Republicans

Bob Packwood, of Oregon, *Chairman*
Robert Dole, of Kansas
William V. Roth, Jr., of Delaware
John C. Danforth, of Missouri
John H. Chafee, of Rhode Island
John Heinz, of Pennsylvania
Malcolm Wallop, of Wyoming
David Durenberger, of Minnesota
William L. Armstrong, of Colorado
Steven D. Symms, of Idaho
Charles E. Grassley, of Iowa

Democrats

Russell B. Long, of Louisiana
Lloyd Bentsen, of Texas
Spark M. Matsunaga, of Hawaii
Daniel Patrick Moynihan, of New York
Max Baucus, of Montana
David L. Boren, of Oklahoma
Bill Bradley, of New Jersey
George J. Mitchell, of Maine
David Pryor, of Arkansas

HOUSE

Appropriations
H-218 Capitol Building
Washington, D.C. 20515
(202) 225-2771

Responsibilities: Item-by-item decisions on how much money to spend for federal programs each year.

Democrats

Jamie L. Whitten, Miss., chairman
Edward P. Boland, Mass.
* William H. Natcher, Ky.
* Neal Smith, Iowa
Joseph P. Addabbo, N.Y.
Sidney R. Yates, Ill.
* David R. Obey, Wis.
* Edward R. Roybal, Calif.
* Louis Stokes, Ohio
Tom Bevill, Ala.
Bill Chappell, Jr., Fla.
Bill Alexander, Ark.
John P. Murtha, Pa.
Bob Traxler, Mich.
* Joseph D. Early, Mass.
Charles Wilson, Tex.
Lindy (Mrs. Hale) Boggs, La.
Norman D. Dicks, Wash.
Matthew F. McHugh, N.Y.
William Lehman, Fla.
Martin Olav Sabo, Minn.
Julian C. Dixon, Calif.
Vic Fazio, Calif.
W. G. (Bill) Hefner, N.C.
Les AuCoin, Oreg.
Daniel K. Akaka, Hawaii
Wes Watkins, Okla.
William H. Gray III, Pa.
* Bernard J. Dwyer, N.J.
William Hill Boner, Tenn.
* Steny H. Hoyer, Md.
Bob Carr, Mich.
Robert J. Mrazek, N.Y.
Richard J. Durbin, Ill.
Ronald D. Coleman, Tex.

Republicans

* *Silvio O. Conte*, Mass.
Joseph M. McDade, Pa.
John T. Myers, Ind.
Clarence E. Miller, Ohio
Lawrence Coughlin, Pa.
* *C. W. Bill Young*, Fla.
Jack F. Kemp, N.Y.
Ralph Regula, Ohio
* *George M. O'Brien*, Ill.
Virginia Smith, Nebr.
Eldon Rudd, Ariz.
* *Carl D. Pursell*, Mich.
Mickey Edwards, Okla.
Bob Livingston, La.
Bill Green, N.Y.
Tom Loeffler, Tex.
Jerry Lewis, Calif.
* *John Edward Porter*, Ill.
Harold Rogers, Ky.
Joe Skeen, N. Mex.
Frank R. Wolf, Va.
Bill Lowery, Calif.

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*Member of Labor, Health and Human Services, Education, and Related Agencies Subcommittee, chaired by Congressman William H. Natcher.

Energy and Commerce

2125 Rayburn House Office Building
Washington, D.C. 20515
(202) 225-2927

Responsibilities: Authorization and oversight for Medicaid and other health programs, in addition to all energy, commerce, and environmental matters.

Democrats

* John D. Dingell, Mich., chairman
* James H. Scheuer, N.Y.
* Henry A. Waxman, Calif.
* Timothy E. Wirth, Colo.
Philip R. Sharp, Ind.
* James J. Florio, N.J.
Edward J. Markey, Mass.
* Thomas A. Luken, Ohio
* Doug Walgren, Pa.
* Barbara A. Mikulski, Md.
Al Swift, Wash.
* Mickey Leland, Tex.
* Richard C. Shelby, Ala.
* Cardiss Collins, Ill.
Mike Synar, Okla.
W. J. (Billy) Tauzin, La.
* Ron Wyden, Oreg.
Ralph M. Hall, Tex.
Dennis E. Eckart, Ohio
Wayne Dowdy, Miss.
* Bill Richardson, N. Mex.
Jim Slattery, Kans.
* Gerry Sikorski, Minn.
John Bryant, Tex.
* Jim Bates, Calif.

Republicans

* *James T. Broyhill*, N.C.
Norman F. Lent, N.Y.
* *Edward R. Madigan*, Ill.
Carlos J. Moorhead, Calif.
Matthew J. Rinaldo, N.J.
* *William E. Dannemeyer*, Calif.
* *Bob Whittaker*, Kans.
* *Thomas J. Tauke*, Iowa
* *Don Ritter*, Pa.
Dan Coats, Ind.
* *Thomas J. Bliley, Jr.*, Va.
Jack Fields, Tex.
Michael G. Oxley, Ohio
* *Howard C. Nielson*, Utah
* *Michael Bilirakis*, Fla.
Dan Schaefer, Colo.
* *Fred J. Eckert*, N.Y.

*Member of Health and the Environment Subcommittee, chaired by Congressman Henry A. Waxman.

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Ways and Means

1102 Longworth House Office Building
Washington, D.C. 20515
(202) 225-3625

Responsibilities: Authorization and oversight for all tax and revenue measures and a number of important children's programs, including: Title XX Social Services; the Adoption Assistance and Child Welfare Act of 1980; Aid to Families with Dependent Children (AFDC); Child Support; Supplemental Security Income (SSI); Social Security; and Dependent Care Tax Credits.

Democrats

Dan Rostenkowski, Ill., chairman
Sam Gibbons, Fla.
J. J. Pickle, Tex.
Charles B. Rangel, N.Y.
* Fortney H. (Pete) Stark, Calif.
James R. Jones, Okla.
Andrew Jacobs, Jr., Ind.
* Harold E. Ford, Tenn.
Ed Jenkins, Ga.
Richard A. Gephardt, Mo.
Thomas J. Downey, N.Y.
Cecil (Cec) Heftel, Hawaii
Wyche Fowler, Jr., Ga.
Frank J. Guarini, N.J.
Marty Russo, Ill.
* Donald J. Pease, Ohio
* Robert T. Matsui, Calif.
Beryl Anthony, Jr., Ark.
Ronnie G. Flippo, Ala.
Byron L. Dorgan, N. Dak.
* Barbara B. Kennelly, Conn.
Brian J. Donnelly, Mass.
William J. Coyne, Pa.

Republicans

John J. Duncan, Tenn.
Bill Archer, Tex.
Guy Vander Jagt, Mich.
Philip M. Crane, Ill.
* *Bill Frenzel*, Minn.
Richard T. Schulze, Pa.
* *Willis D. Gradison, Jr.*, Ohio
W. Henson Moore, La.
* *Carroll A. Campbell, Jr.*, S.C.
William M. Thomas, Calif.
Raymond J. McGrath, N.Y.
Hal Daub, Nebr.
Judd Gregg, N.H.

*Member of Public Assistance and Unemployment Compensation Subcommittee, chaired by Congressman Harold E. Ford.

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Select Committee on Children, Youth, and Families

H-2-385 House Office Building, Annex II
Washington, D.C. 20515
(202) 226-7660

Responsibilities: Study and review of problems of children, youth, and families and the development of policies that would encourage the coordination of both governmental and private programs designed to address these problems.

Democrats

George Miller, Calif., chairman
William Lehman, Fla.
Patricia Schroeder, Colo.
Lindy (Mrs. Hale) Boggs, La.
Matthew F. McHugh, N.Y.
Ted Weiss, N.Y.
Beryl Anthony, Jr., Ark.
Barbara Boxer, Calif.
Sander M. Levin, Mich.
Bruce A. Morrison, Conn.
J. Roy Rowland, Ga.
Gerry Sikorski, Minn.
Alan Wheat, Mo.
Matthew G. Martinez, Calif.
Lane Evans, Ill.

Republicans

Dan Coats, Ind.
Hamilton Fish, Jr., N.Y.
Thomas J. Bliley, Jr., Va.
Frank R. Wolf, Va.
Dan Burton, Ind.
Nancy L. Johnson, Conn.
John R. McKernan, Jr., Maine
Barbara F. Vucanovich, Nev.
David S. Monson, Utah
Robert C. Smith, N.H.

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Labor and Human Resources

SD-428 Dirksen Senate Office Building
Washington, D.C. 20510
(202) 224-5375

Responsibilities: Authorization and oversight for a number of education, labor and social programs, including: Head Start; Chapter I Education of the Disadvantaged; Child Abuse Prevention and Treatment; and many others.

Republicans

Orrin G. Hatch, of Utah, *Chairman*
Robert T. Stafford, of Vermont
Dan Quayle, of Indiana
Don Nickles, of Oklahoma
Paula Hawkins, of Florida
Strom Thurmond, of South Carolina
Lowell P. Weicker, Jr., of Connecticut
Malcolm Wallop, of Wyoming
Charles E. Grassley, of Iowa

Democrats

Edward M. Kennedy, of Massachusetts
Claiborne Pell, of Rhode Island
Howard M. Metzenbaum, of Ohio
Spark M. Matsunaga, of Hawaii
Christopher J. Dodd, of Connecticut
Paul Simon, of Illinois
John Kerry, of Massachusetts

Senate Children's Caucus

*SH-324 Hart Senate Office Building
Washington, D.C. 20510
(202) 224-2823

Responsibilities: The Caucus is a bipartisan group of Senators which was formed to help identify and address issues affecting children.

Republicans

Arlen Specter, of Pennsylvania, Co-Chairman
James Abdnor, of South Dakota
Mark Andrews, of North Dakota
John H. Chafee, of Rhode Island
Jeremiah A. Denton, of Alabama
Robert Dole, of Kansas
David Durenberger, of Minnesota
Charles E. Grassley, of Iowa
Paula Hawkins, of Florida
John Heinz, of Pennsylvania
Charles McC. Mathias, Jr., of Maryland
Robert T. Stafford, of Vermont

Democrats

Christopher J. Dodd, of Connecticut, Co-Chairman
Max Baucus, of Montana
Lloyd Bentsen, of Texas
Bill Bradley, of New Jersey
Dale Bumpers, of Arkansas
Lawton Chiles, of Florida
Alan Cranston, of California
Dennis DeConcini, of Arizona
Thomas F. Eagleton, of Missouri
Albert Gore, Jr., of Tennessee
Daniel K. Inouye, of Hawaii
Edward M. Kennedy, of Massachusetts
John F. Kerry, of Massachusetts
Carl Levin, of Michigan
Howard M. Metzenbaum, of Ohio
George J. Mitchell, of Maine
Daniel P. Moynihan, of New York
Claiborne Pell, of Rhode Island
Donald W. Riegle, Jr., of Michigan
John D. (Jay) Rockefeller, IV, of West Virginia
Paul Simon, of Illinois

*Senator Dodd's office

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CONGRESSIONAL COMMITTEES, continued

Budget

214 House Office Building, Annex I
Washington, D.C. 20515
(202) 226-7200

Responsibilities: Drafting and approving a congressional budget, or "budget resolution," which sets very general spending targets for the coming year.

Democrats

William H. Gray III, Pa., chairman
Jim Wright, Tex.
W. G. (Bill) Hefner, N.C.
Thomas J. Downey, N.Y.
Mike Lowry, Wash.
Butler Derrick, S.C.
George Miller, Calif.
Pat Williams, Mont.
Howard Wolpe, Mich.
Martin Frost, Tex.
Vic Fazio, Calif.
Marty Russo, Ill.
Ed Jenkins, Ga.
Michael D. Barnes, Md.
Marvin Leath, Tex.
Charles E. Schumer, N.Y.
Barbara Boxer, Calif.
Buddy MacKay, Fla.
Jim Slattery, Kans.
Chester G. Atkins, Mass.

Republicans

Delbert L. Latta, Ohio
Jack F. Kemp, N.Y.
Lynn Martin, Ill.
Bobbi Fiedler, Calif.
Willis D. Gradison, Jr., Ohio
Tom Loeffler, Tex.
Connie Mack, Fla.
William F. Goodling, Pa.
W. Henson Moore, La.
Denny Smith, Oreg.
Vin Weber, Minn.
Hank Brown, Colo.
Beau Boulter, Tex.

Education and Labor

2181 Rayburn House Office Building
Washington, D.C. 20515
(202) 225-4527

Responsibilities: Authorization and oversight for education and labor programs, including: Head Start; Chapter I Education of the Disadvantaged; Child Abuse Prevention and Treatment; and many others.

Democrats

Augustus F. Hawkins, Calif., chairman
William D. Ford, Mich.
Joseph M. Gaydos, Pa.
William (Bill) Clay, Mo.
Mario Biaggi, N.Y.
Austin J. Murphy, Pa.
Dale E. Kildee, Mich.
Pat Williams, Mont.
Matthew G. Martinez, Calif.
Major R. Owens, N.Y.
Frederick C. Boucher, Va.
Charles A. Hayes, Ill.
Carl C. Perkins, Ky.
Terry L. Bruce, Ill.
Stephen J. Solarz, N.Y.
Mervyn M. Dymally, Calif.
Dennis E. Eckart, Ohio
Timothy J. Penny, Minn.
Chester G. Atkins, Mass.

Republicans

James M. Jeffords, Vt.
William F. Goodling, Pa.
E. Thomas Coleman, Mo.
Thomas E. Petri, Wis.
Marge Roukema, N.J.
Steve Gunderson, Wis.
Steve Bartlett, Tex.
Rod Chandler, Wash.
Thomas J. Tauke, Iowa
John R. McKernan, Jr., Maine
Richard K. Armey, Tex.
Harris W. Fawell, Ill.
Paul B. Henry, Mich.

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MEMBERS OF CONGRESS

This roster of congressional members is included to help you in contacting your representatives.

Mail to Senators may be addressed to:

The Honorable ______________________
United States Senate
Washington, D.C. 20510

Mail to Representatives may be addressed to:

The Honorable ______________________
U.S. House of Representatives
Washington, D.C. 20515

Members can also be called. The Capitol Hill switchboard number is (202) 224-3121.

In the following list of members, Democrats are in roman type, Republicans in italic.

ALABAMA

SENATORS

Howell T. Heflin

Jeremiah Denton

REPRESENTATIVES

[Democrats, 5; Republicans, 2]

1. *H.L. (Sonny) Callahan*
2. *William L. Dickinson*
3. Bill Nichols
4. Tom Bevill
5. Ronnie G. Flippo
6. Ben Erdreich
7. Richard C. Shelby

ALASKA

SENATORS

Ted Stevens

Frank H. Murkowski

REPRESENTATIVE

[Republican, 1]

At Large—*Donald E. Young*

ARIZONA

SENATORS

Barry Goldwater

Dennis DeConcini

REPRESENTATIVES

[Democrat, 1; Republicans, 4]

1. *John S. McCain III*
2. Morris K. Udall
3. *Bob Stump*
4. *Eldon D. Rudd*
5. *Jim Kolbe*

ARKANSAS

SENATORS

Dale Bumpers

David H. Pryor

REPRESENTATIVES

[Democrats, 3; Republican, 1]

1. Bill Alexander
2. Tommy Robinson
3. *John P. Hammerschmidt*
4. Beryl F. Anthony, Jr.

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CALIFORNIA

SENATORS

Alan Cranston
Pete Wilson

REPRESENTATIVES

[Democrats, 27; Republicans, 18]

1. Douglas H. Bosco
2. *Eugene A. Chappie*
3. Robert T. Matsui
4. Vic Fazio
5. Sala Burton
6. Barbara Boxer
7. George Miller
8. Ronald V. Dellums
9. Fortney H. (Pete) Stark
10. Don Edwards
11. Tom Lantos
12. *Edwin V.W. Zschau*
13. Norman Y. Mineta
14. *Norman D. Shumway*
15. Tony Coelho
16. Leon E. Panetta
17. *Charles Pashayan, Jr.*
18. Richard H. Lehman
19. *Robert J. Lagomarsino*
20. *William M. Thomas*
21. *Bobbi Fiedler*
22. *Carlos J. Moorhead*
23. Anthony C. Beilenson
24. Henry A. Waxman
25. Edward R. Roybal
26. Howard L. Berman
27. Mel Levine
28. Julian C. Dixon
29. Augustus F. (Gus) Hawkins
30. Matthew G. Martinez
31. Mervyn M. Dymally
32. Glenn M. Anderson
33. *David Dreier*
34. Esteban E. Torres
35. *Jerry Lewis*
36. George E. Brown, Jr.
37. *Alfred A. McCandless*
38. *Robert K. (Bob) Dornan*
39. *William E. Dannemeye*
40. *Robert E. Badham*
41. *Bill Lowery*
42. *Dan E. Lungren*
43. *Ronald C. Packard*
44. Jim Bates
45. *Duncan L. Hunter*

COLORADO

SENATORS

Gary Hart
William L. Armstrong

REPRESENTATIVES

[Democrats, 2; Republicans, 4]

1. Patricia Schroeder
2. Timothy E. Wirth
3. *Michael L. (Mike) Strang*
4. *Hank Brown*
5. *Kenneth B. Kramer*
6. *Dan Schaefer*

CONNECTICUT

SENATORS

Lowell P. Weicker, Jr.
Christopher J. Dodd

REPRESENTATIVES

[Democrats, 3; Republicans, 3]

1. Barbara B. Kennelly
2. Samuel Gejdenson
3. Bruce A. Morrison
4. *Stewart B. McKinney*
5. *John G. Rowland*
6. *Nancy L. Johnson*

DELAWARE

SENATORS

William V. Roth, Jr.
Joseph R. Biden, Jr.

REPRESENTATIVE

[Democrat, 1]

At Large—Thomas R. Carper

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FLORIDA

SENATORS

Lawton Chiles
Paula Hawkins

REPRESENTATIVES

[Democrats, 12; Republicans, 7]

1. Earl Hutto
2. Don Fuqua
3. Charles E. Bennett
4. Bill Chappell, Jr.
5. *Bill McCollum*
6. Buddy MacKay
7. Sam M. Gibbons
8. *C.W. Bill Young*
9. *Michael Bilirakis*
10. *Andy Ireland*
11. Bill Nelson
12. *Tom Lewis*
13. *Connie Mack 3d*
14. Daniel A. Mica
15. *Clay Shaw*
16. Lawrence J. Smith
17. William Lehman
18. Claude D. Pepper
19. Dante B. Fascell

GEORGIA

SENATORS

Sam Nunn
Mack Mattingly

REPRESENTATIVES

[Democrats, 8; Republicans, 2]

1. Lindsay Thomas
2. Charles Hatcher
3. Richard B. Ray
4. *Pat Swindall*
5. Wyche Fowler, Jr.
6. *Newt Gingrich*
7. George (Buddy) Darden
8. J. Roy Rowland
9. Edgar L. Jenkins
10. Doug Barnard, Jr.

HAWAII

SENATORS

Daniel K. Inouye
Spark M. Matsunaga

REPRESENTATIVES

[Democrats, 2]

1. Cecil Heftel
2. Daniel K. Akaka

IDAHO

SENATORS

James A. McClure
Steve Symms

REPRESENTATIVES

[Democrat, 1; Republican, 1]

1. *Larry Craig*
2. Richard Stallings

ILLINOIS

SENATORS

Alan J. Dixon
Paul Simon

REPRESENTATIVES

[Democrats, 13; Republicans, 9]

1. Charles A. Hayes
2. Gus Savage
3. Marty Russo
4. *George M. O'Brien*
5. William O. Lipinski
6. *Henry J. Hyde*
7. Cardiss Collins
8. Dan Rostenkowski
9. Sidney R. Yates
10. *John Edward Porter*
11. Frank Annunzio
12. *Philip M. Crane*
13. *Harris W. Fawell*
14. *John E. Grotberg*
15. *Edward R. Madigan*
16. *Lynn Martin*
17. Lane A. Evans
18. *Robert H. Michel*
19. Terry L. Bruce
20. Richard J. Durbin
21. Melvin Price
22. Kenneth J. Gray

INDIANA

SENATORS

Richard G. Lugar
Dan Quayle

REPRESENTATIVES

[Democrats, 5; Republicans, 5]

1. Peter J. Visclosky
2. Philip R. Sharp
3. *John Patrick Hiler*
4. *Dan R. Coats*
5. *Elwood Hillis*
6. *Danny L. Burton*
7. *John T. Myers*
8. Frank McCloskey
9. Lee H. Hamilton
10. Andrew Jacobs, Jr.

IOWA

SENATORS

Charles E. Grassley
Tom Harkin

REPRESENTATIVES

[Democrats, 2; Republicans, 4]

1. *Jim Leach*
2. *Thomas J. Tauke*
3. *Cooper Evans*
4. Neal Smith
5. *Jim Ross Lightfoot*
6. Berkley Bedell

KANSAS

SENATORS

Bob Dole
Nancy L. Kassebaum

REPRESENTATIVES

[Democrats, 2; Republicans, 3]

1. *Pat Roberts*
2. James C. Slattery
3. *Jan Meyers*
4. Dan Glickman
5. *Bob Whittaker*

KENTUCKY

SENATORS

Wendell H. Ford
Mitch McConnell

REPRESENTATIVES

[Democrats, 4; Republicans, 3]

1. Carroll Hubbard, Jr.
2. William H. Natcher
3. Romano L. Mazzoli
4. *M.G. (Gene) Snyder*
5. *Harold (Hal) Rogers*
6. *Larry J. Hopkins*
7. Carl C. Perkins

LOUISIANA

SENATORS

Russell B. Long
J. Bennett Johnston

REPRESENTATIVES

[Democrats, 6; Republicans, 2]

1. *Robert L. Livingston*
2. Corinne C. (Lindy) Boggs
3. W.J. (Billy) Tauzin
4. Charles Roemer
5. Thomas J. Huckaby
6. *W. Henson Moore*
7. John B. Breaux
8. Cathy (Mrs. Gillis) Long

MAINE

SENATORS

William S. Cohen
George J. Mitchell

REPRESENTATIVES

[Republicans, 2]

1. *John R. McKernan, Jr.*
2. *Ms. Olympia J. Snowe*

MARYLAND

SENATORS

Charles McC. Mathias, Jr.
Paul S. Sarbanes

REPRESENTATIVES

[Democrats, 6; Republicans, 2]

1. Roy Dyson
2. *Helen Delich Bentley*
3. Barbara A. Mikulski
4. *Marjorie S. Holt*
5. Steny H. Hoyer
6. Beverly B. Byron
7. Parren J. Mitchell
8. Michael D. Barnes

MASSACHUSETTS

SENATORS

Edward M. Kennedy
John F. Kerry

REPRESENTATIVES

[Democrats, 10; Republican, 1]

1. *Silvio O. Conte*
2. Edward P. Boland
3. Joseph D. Early
4. Barney Frank
5. Chester G. Atkins
6. Nicholas Mavroules
7. Edward J. Markey
8. Thomas P. O'Neill, Jr.
9. John Joseph Moakley
10. Gerry E. Studds
11. Brian J. Donnelly

MICHIGAN

SENATORS

Donald W. Riegle, Jr.
Carl Levin

REPRESENTATIVES

[Democrats, 11; Republicans, 7]

1. John Conyers, Jr.
2. *Carl D. Pursell*
3. Howard E. Wolpe
4. *Mark D. Siljander*
5. *Paul B. Henry*
6. Bob Carr
7. Dale E. Kildee
8. Bob Traxler
9. *Guy Vander Jagt*
10. *Bill Schuette*
11. *Robert W. Davis*
12. David E. Bonior
13. George W. Crockett, Jr.
14. Dennis M. Hertel
15. William D. Ford
16. John D. Dingell
17. Sander M. Levin
18. *William S. Broomfield*

MINNESOTA

SENATORS

David F. Durenberger
Rudy Boschwitz

REPRESENTATIVES

[Democrats, 5; Republicans, 3]

1. Timothy J. Penny
2. *Vin Weber*
3. *Bill Frenzel*
4. Bruce F. Vento
5. Martin O. Sabo
6. Gerry Sikorski
7. *Arlan Stangeland*
8. James L. Oberstar

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MISSISSIPPI

SENATORS

John C. Stennis

Thad Cochran

REPRESENTATIVES

[Democrats, 3; Republicans, 2]

1. Jamie L. Whitten
2. *William W. Franklin*
3. G.V. (Sonny) Montgomery
4. Wayne Dowdy
5. *Trent Lott*

MISSOURI

SENATORS

Thomas F. Eagleton

John C. Danforth

REPRESENTATIVES

[Democrats, 6; Republicans, 3]

1. William (Bill) Clay
2. Robert A. Young
3. Richard A. Gephardt
4. Ike Skelton
5. Alan D. Wheat
6. *E. Thomas Coleman*
7. *Gene Taylor*
8. *Bill Emerson*
9. Harold L. Volkmer

MONTANA

SENATORS

John Melcher

Max Baucus

REPRESENTATIVES

[Democrat, 1; Republican, 1]

1. Patrick Williams
2. *Ron Marlenee*

NEBRASKA

SENATORS

Edward Zorinsky

J. James Exon

REPRESENTATIVES

[Republicans, 3]

1. *Doug Bereuter*
2. *Hal Daub*
3. *Virginia Smith*

NEVADA

SENATORS

Paul Laxalt

Chic Hecht

REPRESENTATIVES

[Democrat, 1; Republican, 1]

1. Harry M. Reid
2. *Barbara F. Vucanovich*

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NEW HAMPSHIRE

SENATORS

Gordon J. Humphrey

Warren Rudman

REPRESENTATIVES

[Republicans, 2]

1. *Robert C. Smith*
2. *Judd Gregg*

NEW JERSEY

SENATORS

Bill Bradley

Frank R. Lautenberg

REPRESENTATIVES

[Democrats, 8; Republicans, 6]

1. James J. Florio
2. William J. Hughes
3. James J. Howard
4. *Christopher H. Smith*
5. *Marge Roukema*
6. Bernard J. Dwyer
7. *Matthew J. Rinaldo*
8. Robert A. Roe
9. Robert G. Torricelli
10. Peter W. Rodino, Jr.
11. *Dean A. Gallo*
12. *James A. Courter*
13. *H. James Saxton*
14. Frank J. Guarini

NEW MEXICO

SENATORS

Pete V. Domenici

Jeff Bingaman

REPRESENTATIVES

[Democrat, 1; Republicans, 2]

1. *Manuel Lujan, Jr.*
2. *Joe Skeen*
3. William B. Richardson

NEW YORK

SENATORS

Daniel P. Moynihan

Alfonse M. D'Amato

REPRESENTATIVES

[Democrats, 19; Republicans, 15]

1. *William Carney*
2. Thomas J. Downey
3. Robert J. Mrazek
4. *Norman F. Lent*
5. *Raymond J. McGrath*
6. Joseph P. Addabbo
7. Gary L. Ackerman
8. James H. Scheuer
9. Thomas J. Manton
10. Charles E. Schumer
11. Edolphus Towns
12. Major R. Owens
13. Stephen J. Solarz
14. *Guy V. Molinari*
15. *Bill Green*
16. Charles B. Rangel
17. Ted Weiss
18. Robert Garcia
19. Mario Biaggi
20. *Joseph J. DioGuardi*
21. *Hamilton Fish, Jr.*
22. *Benjamin A. Gilman*
23. Samuel S. Stratton
24. *Gerald B. Solomon*
25. *Sherwood L. Boehlert*
26. *David O'B. Martin*
27. *George C. Wortley*
28. Matthew F. McHugh
29. *Frank Horton*
30. *Fred J. Eckert*
31. *Jack Kemp*
32. John J. LaFalce
33. Henry J. Nowak
34. Stan Lundine

NORTH CAROLINA

SENATORS

Jesse A. Helms

John P. East

REPRESENTATIVES

[Democrats, 6; Republicans, 5]

1. Walter B. Jones
2. Tim Valentine
3. Charles O. Whitley
4. *William W. (Bill) Cobey, Jr.*
5. Stephen L. Neal
6. *Howard Coble*
7. Charlie Rose
8. W.G. (Bill) Hefner
9. *J. Alex McMillan*
10. *James T. Broyhill*
11. *William M. (Bill) Hendon*

NORTH DAKOTA

SENATORS

Quentin N. Burdick

Mark Andrews

REPRESENTATIVE

[Democrat, 1]

At Large—Byron L. Dorgan

OHIO

SENATORS

John Glenn

Howard M. Metzenbaum

REPRESENTATIVES

[Democrats, 11; Republicans, 10]

1. Thomas A. Luken
2. *Willis D. Gradison, Jr.*
3. Tony P. Hall
4. *Michael G. Oxley*
5. *Delbert L. Latta*
6. *Bob McEwen*
7. *Michael DeWine*
8. *Thomas N. Kindness*
9. Marcy Kaptur
10. *Clarence E. Miller*
11. Dennis E. Eckart
12. *John R. Kasich*
13. Donald J. Pease
14. John F. Seiberling
15. *Chalmers P. Wylie*
16. *Ralph Regula*
17. James A. Traficant, Jr.
18. Douglas Applegate
19. Edward F. Feighan
20. Mary Rose Oakar
21. Louis Stokes

OKLAHOMA

SENATORS

David L. Boren

Don Nickles

REPRESENTATIVES

[Democrats, 5; Republican, 1]

1. James R. Jones
2. Mike Synar
3. Wesley W. Watkins
4. Dave McCurdy
5. *Mickey Edwards*
6. Glenn English

OREGON

SENATORS

Mark O. Hatfield

Bob Packwood

REPRESENTATIVES

[Democrats, 3; Republicans, 2]

1. Les AuCoin
2. *Robert F. Smith*
3. Ron Wyden
4. James Weaver
5. *Denny Smith*

PENNSYLVANIA

SENATORS

John Heinz

Arlen Specter

REPRESENTATIVES

[Democrats, 13; Republicans, 10]

1. Thomas M. Foglietta
2. William (Bill) H. Gray 3d
3. Robert A. Borski, Jr.
4. Joseph P. Kolter
5. *Richard T. Schulze*
6. Gus Yatron
7. Bob Edgar
8. Peter H. Kostmayer
9. *E.G. (Bud) Shuster*
10. *Joseph M. McDade*
11. Paul E. Kanjorski
12. John P. Murtha
13. *Lawrence Coughlin*
14. William J. Coyne
15. *Don Ritter*
16. *Robert S. Walker*
17. *George W. Gekas*
18. Doug Walgren
19. *William F. Goodling*
20. Joseph M. Gaydos
21. *Thomas J. Ridge*
22. Austin J. Murphy
23. *William F. Clinger, Jr.*

RHODE ISLAND

SENATORS

Claiborne Pell

John H. Chafee

REPRESENTATIVES

[Democrat, 1; Republican, 1]

1. Fernand J. St Germain
2. *Claudine Schneider*

SOUTH CAROLINA

SENATORS

Strom Thurmond

Ernest F. Hollings

REPRESENTATIVES

[Democrats, 3; Republicans, 3]

1. *Thomas F. Hartnett*
2. *Floyd Spence*
3. Butler Derrick
4. *Carroll Campbell, Jr.*
5. John McK. Spratt
6. Robert M. (Robin) Tallon

SOUTH DAKOTA

SENATORS

Larry Pressler

James Abdnor

REPRESENTATIVE

[Democrat, 1]

At Large—Thomas A. Daschle

TENNESSEE

SENATORS

James R. Sasser

Albert A. Gore, Jr.

REPRESENTATIVES

[Democrats, 6; Republicans, 3]

1. *James H. Quillen*
2. *John J. Duncan*
3. Marilyn Lloyd
4. James Cooper
5. William H. Boner
6. Bart Gordon
7. *Donald K. Sundquist*
8. Ed Jones
9. Harold E. Ford

TEXAS

SENATORS

Lloyd M. Bentsen

Phil Gramm

REPRESENTATIVES

[Democrats, 17; Republicans, 10]

1. Jim Chapman
2. Charles Wilson
3. *Steve Bartlett*
4. Ralph M. Hall
5. John W. Bryant
6. *Joe Barton*
7. *Bill Archer*
8. *Jack Fields*
9. Jack Brooks
10. J.J. (Jake) Pickle
11. J. Marvin Leath
12. James C. Wright, Jr.
13. *Beau Boulter*
14. *Mac Sweeney*
15. E (Kika) de la Garza
16. Ronald Coleman
17. Charles W. Stenholm
18. Mickey Leland
19. *Larry Combest*
20. Henry B. Gonzalez
21. *Tom Loeffler*
22. *Tom DeLay*
23. Albert G. Bustamante
24. Martin Frost
25. Michael A. Andrews
26. *Richard (Dick) Armey*
27. Solomon P. Ortiz

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UTAH

SENATORS

Jake Garn

Orrin G. Hatch

REPRESENTATIVES

[Republicans, 3]

1. *James V. Hansen*
2. *David Smith Monson*
3. *Howard C. Nielson*

VERMONT

SENATORS

Robert T. Stafford

Patrick J. Leahy

REPRESENTATIVE

[Republican, 1]

At Large—*James M. Jeffords*

VIRGINIA

SENATORS

John W. Warner

Paul S. Trible, Jr.

REPRESENTATIVES

[Democrats, 4; Republicans, 6]

1. *Herbert H. Bateman*
2. *G. William Whitehurst*
3. *Thomas J. (Tom) Bliley, Jr.*
4. Norman Sisisky
5. Dan Daniel
6. James R. Olin
7. *D. French Slaughter, Jr.*
8. *Stanford E. (Stan) Parris*
9. Frederick C. Boucher
10. *Frank R. Wolf*

WASHINGTON

SENATORS

Slade Gorton

Daniel J. Evans

REPRESENTATIVES

[Democrats, 5; Republicans, 3]

1. *John Miller*
2. Al Swift
3. Don Bonker
4. *Sid Morrison*
5. Thomas S. Foley
6. Norman D. Dicks
7. Mike Lowry
8. *Rod Chandler*

WEST VIRGINIA

SENATORS

Robert C. Byrd

Jay Rockefeller

REPRESENTATIVES

[Democrats, 4]

1. Alan B. Mollohan
2. Harley O. Staggers, Jr.
3. Robert E. Wise, Jr.
4. Nick J. Rahall 2d

WISCONSIN

SENATORS

William Proxmire

Robert W. Kasten, Jr.

REPRESENTATIVES

[Democrats, 5; Republicans, 4]

1. Les Aspin
2. Robert W. Kastenmeier
3. *Steven Gunderson*
4. Gerald D. Kleczka
5. Jim Moody
6. *Thomas E. Petri*
7. David R. Obey
8. *Toby Roth*
9. *F. James Sensenbrenner, Jr.*

WYOMING

SENATORS

Malcolm Wallop

Alan K. Simpson

REPRESENTATIVE

[Republican, 1]

At Large—*Dick Cheney*

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1986 CONGRESSIONAL RECESS SCHEDULE

Senate

February 8 - February 16
March 28 - April 7
May 22 - May 28
June 28 - July 13
August 16 - September 7

House

February 8 - February 17
March 26 - April 6
May 23 - May 27
June 28 - July 13
August 16 - September 7

Adjournment target for both Houses is October 3, because this is an election year.

Senators and Representatives are often in their home states and districts during recesses. You can visit them in their district offices at these times and tell them your opinions of budget cuts that hurt children. District offices are listed in the phone book.

KEY TERMS IN THE FEDERAL LEGISLATIVE PROCESS

Authorization: A legislative process whereby the "authorizing committees" in each house of Congress establish, continue, or change federal programs under their jurisdiction. "Authorization legislation" sets spending ceilings for a program, usually for a period of several years, and determines the basic requirements guiding program operation. Congressional rules require that programs be properly "authorized" before actual funds may be appropriated for them.

Appropriation: A legislative process whereby House and Senate Appropriations Committees set actual spending levels for federal programs each year, within the limits set by authorization legislation and budget resolutions. Federal programs and agencies are grouped into one of thirteen annual appropriations bills to be passed and signed by the President before the beginning of each fiscal year (October 1).

Continuing Resolution: Legislation that continues funding for federal programs for which Congress has not completed regular annual appropriation legislation by the beginning of the fiscal year. Continuing Resolutions are a form of stop-gap, often omnibus appropriations legislation. A Continuing Resolution must be passed by both houses of Congress and signed by the President.

Line Item Veto: This measure, which often has been proposed but never has been allowed at the national level, would allow the President to veto individual portions of the thirteen annual appropriations bills. Currently the President must sign or veto an entire appropriations bill, which usually contains funding for dozens of federal agencies, programs, or activities. A line item veto would allow the President to veto a particular "line" in the bill, excluding funding for only that particular program or activity (unless Congress overrode the veto), while approving the rest of the legislation.

Entitlement Programs: Federal programs, such as Medicaid's Aid to Families with Dependent Children (AFDC), Food Stamps, and Social Security, which are available to all persons who meet their eligibility requirements. While funding for an entitlement program is contained in annual appropriations legislation, the amount of such funding is set according to the level of benefits to be provided and the number of eligible persons "entitled" to receive them. Key decisions regarding eligibility and benefit levels are made by the authorizing committees.

Discretionary Programs: Federal programs, other than entitlements, for which each year's amount of spending is set at the "discretion" of the Appropriations Committees, within upper limits established by the authorizing legislation and the budget resolution. Many programs serving poor children and families, including Head Start, the Maternal and Child Health Block Grant, Immunizations, Child Welfare Services, Job Corps, and the Chapter I program for education of the disadvantaged, are discretionary programs.

Budget Resolution: Legislation, in the form of a joint resolution, that establishes general spending and revenue guidelines for the entire federal government each year. The President's proposed budget makes spending and revenue recommendations. Then Congress, first through its House and Senate Budget Committees, considers these recommendations, adopting a Concurrent Budget Resolution that finally sets the government's spending and revenue limits in general categories called functions. The Concurrent Budget Resolution must be adopted by both houses of Congress, but does not require the President's signature.

Reconciliation: Legislation to implement the spending and revenue limits in the Concurrent Budget Resolution, including any actual program changes, tax changes, or spending reductions necessary to achieve required budget savings.

Sequestration: A new process established by the Gramm-Rudman legislation which requires that, unless Congress and the President agree on alternative methods to meet mandated deficit limits, automatic spending reductions be made in all affected federal programs in whatever amounts are necessary to meet the limits.

Appendix C

Additional Resources

SELECTED RECENT PUBLICATIONS ON THE BUDGET AND THE EFFECTS OF PRESIDENT REAGAN'S POLICIES

General

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OTHER RESOURCE ORGANIZATIONS

For additional information on budget cuts discussed in this book, we are listing a number of organizations that provided background information to us in the areas listed below. At least one person is listed for each organization.

Food Stamps, WIC, Child Nutrition

Center on Budget and Policy Priorities
236 Massachusetts Avenue, N.E., #305
Washington, D.C. 20002
(202) 544-0591
Bob Greenstein, Stefan Harvey

Food Research and Action Center/
National Anti-Hunger Coalition
1319 F Street, N.W., Suite 500
Washington, D.C. 20004
(202) 393-5060
Ed Cooney

Low-Income Energy Assistance

National Consumer Law Center
236 Massachusetts Avenue, N.E., #504
Washington, D.C. 20002
(202) 543-6060
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National Low-Income Housing Coalition
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National Association of
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Block Grants

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905 6th Street, S.W., #411
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Coalition for a New Foreign and Military Policy
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Council for a Livable World
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1313 L Street, N.W., Fifth Floor
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